CITY OF ATCHISON, KANSAS



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENTS

CITY OF ATCHISON, KANSAS

For the Fiscal Year Ended

December 31, 2022

Prepared by:

FINANCE DEPARTMENT

City of Atchison, Kansas

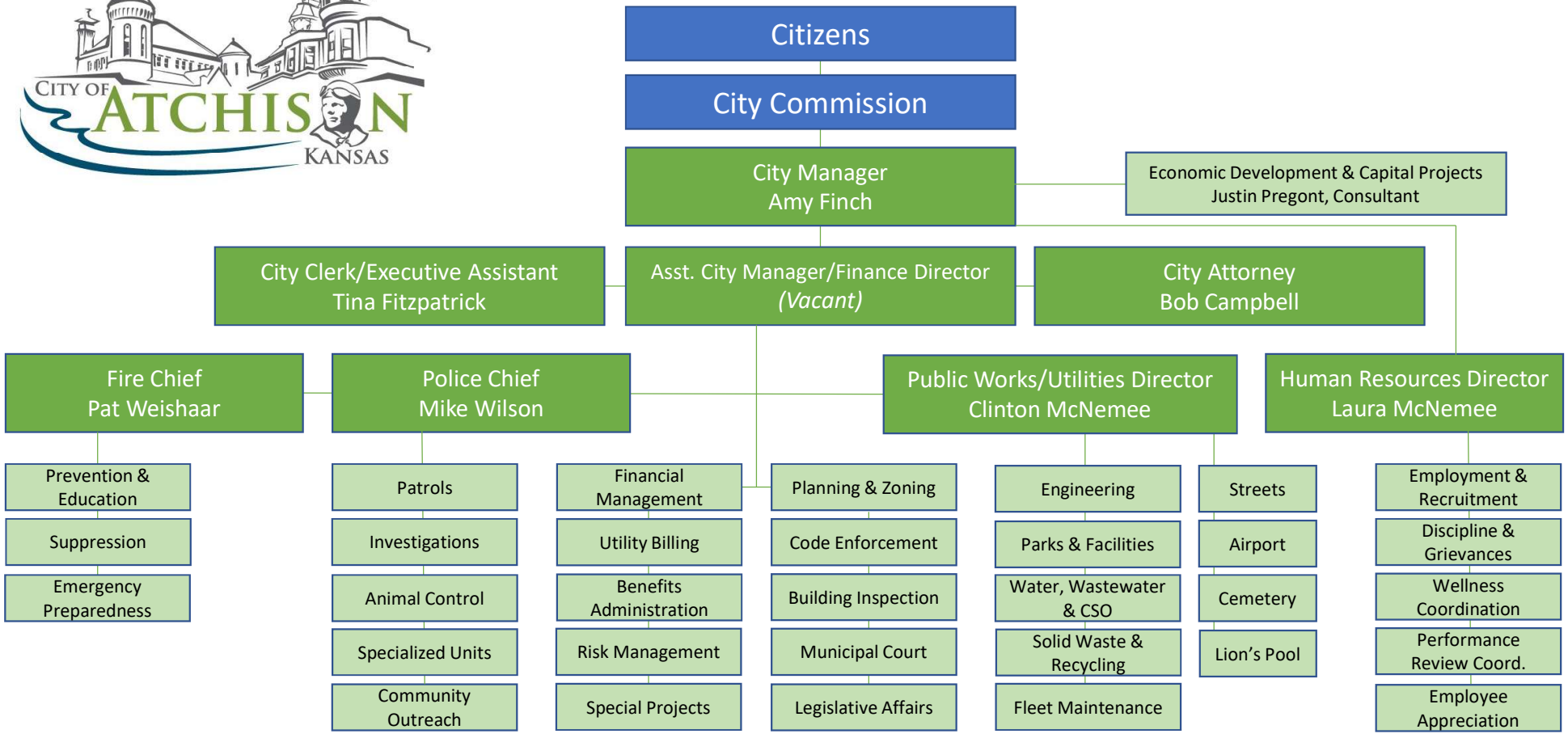
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City of Atchison Organizational Chart



12/16/2022

CITY OF ATCHISON, KANSAS

List of Elected and Appointed Officials

December 31, 2022

ELECTED OFFICIALS

Lisa Moody
Mayor
Term Expires December 2023

Abby Bartlett
Vice-Mayor
Term Expires December 2023

Jesse Greenly
Commissioner
Term Expires December 2025

La Rochelle Young
Commissioner
Term Expires December 2025 (appointed 12/19/2022)

Larry Wilcox
Commissioner
Term Expires December 2023

APPOINTED OFFICIALS

Amy Finch
City Manager

Michael A. Wilson
Chief/Director of Police Services

Clinton McNemee
Director of Public Works and Utilities

Pat Weishaar
Chief/Director of Fire Services

Tina Fitzpatrick
City Clerk

Laura McNemee
Director of Human Resources

Pat Henderson
Municipal Judge

Robert Campbell
City Attorney

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Commission
City of Atchison, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Atchison, Kansas (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 of the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, the financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions to the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BT + Co., P.A.

November 2, 2023
Topeka, Kansas

City of Atchison, Kansas
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2022

This section of the report contains an overview and an analysis of the City of Atchison's financial statements for the fiscal year ended December 31, 2022. This document is intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

Financial Highlights

- The City's total assets exceeded its total liabilities by $56,522,342. Of this amount, $8,258,385 of unrestricted net position may be used to meet the City's ongoing obligations.
- The net position of the City's governmental activities increased by $4,505,729 (or 18.9%) while the net position of business activities increased by $169,113 (or 0.6%).
- The City's deferred outflow of resources increased by $910,314 (or 49.8%) while the deferred inflow of resources increased by $1,448,732 (or 25.2%).
- At the end of 2022, the total fund balance for the general fund was $4,002,107 which is 44% of general fund expenditures.

Overview of the Financial Statements

The City's basic financial statements include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for understanding them. The report also contains additional supplementary information to assist the reader.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Atchison's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information for the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Increases or decreases in net position may serve as a useful indicator over time of whether the financial position of the City of Atchison is improving or deteriorating.

The Statement of Activities shows the revenues and expenses related to specific programs, and how the government's net position changed during the fiscal year. This statement is presented on the accrual basis so that transactions are reflected as they occur, and not as cash is impacted.

Both statements distinguish functions of the city that are supported by taxes and intergovernmental revenues from functions that recover their costs through user fees and charges. The governmental activities include general government, public safety, public works, and parks and recreation. The business-type activities include the water and wastewater utilities and refuse operations. Business activities are operations that are intended to recover most, if not all, of their costs through user fees and charges.

The government-wide financial statements include a city library as a discretely presented component unit. See note 1 to the financial statements for a more complete description of the relationship between this entity and the City.

Fund Financial Statements

A fund is a fiscal entity with accounts for recording balances of resources, liabilities, equity, revenues, and expenditures. Funds are segregated for specific activities or objectives, in accordance with regulations, restrictions or limitations. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements are prepared on the modified accrual basis. Under this approach, revenues are recognized when measurable and available, and expenditures are recognized when the related fund liabilities are incurred except for capital outlays and long-term debt and other similar items that are recorded when due. Governmental funds are used to account for the same functions included in the government-wide financial statements, but the focus is on the short-term financial condition rather than the City as a whole. The reconciliation at the end of the fund financial statements explains the relationship between governmental fund financial statements and government-wide financial statements.

The City maintains one type of proprietary fund, enterprise funds. The City uses enterprise funds to account for its water and wastewater utilities and refuse operations. These funds are prepared on the accrual basis of accounting and present the same information included in the government-wide financial statements in greater detail.

Fiduciary funds are used by the City to account for resources held for the benefit of third parties. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide financial statements. The Fiduciary funds include the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veterans Memorial Park funds. A combining statement can be found in the supplementary information following the notes to the financial statements.

Notes to the Financial Statements

The notes are an integral part of the financial statements and provide essential information for a full understanding of the data provided in those statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the City's progress in funding its obligation to provide pension and post-employment benefits to its employees and the City's general fund budgeted and actual expenditures. The combining statements for the combined general fund and non-major funds are included after the required supplementary information. The Statistical section of the report includes historical financial information and other data about the City.

Analysis of the Government-wide Statements

Net Position

Net position may serve as a useful indicator of the City's financial condition. The City's government-wide net position increased by $4,674,842, or 9%, for the fiscal year ended December 31, 2022. The largest portion of the City's net position (80.2%) is in capital assets (land, buildings, infrastructure, vehicles and machinery and equipment); less any debt related to those assets still outstanding.

Combined Net Position of the City on December 31 was:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 17,398,527	$ 11,317,488	$ 8,977,089	$ 8,962,544	$ 26,375,616	$ 20,280,032
Capital assets	33,383,928	32,485,428	32,287,392	33,027,004	65,671,320	65,512,432
Total assets	50,782,455	43,802,916	41,264,481	41,989,548	92,046,936	85,792,464
Deferred outflows of resources	2,297,564	1,554,641	440,998	273,607	2,738,562	1,828,248
Long-term liabilities	16,701,629	14,098,563	13,213,682	13,617,018	29,915,311	27,715,581
Other liabilities	882,984	1,968,145	258,461	331,818	1,141,445	2,299,963
Total liabilities	17,584,613	16,066,708	13,472,143	13,948,836	31,056,756	30,015,544
Deferred inflows of resources	7,177,236	5,478,408	29,164	279,260	7,206,400	5,757,668
Net position:						
Net investment in capital assets	24,972,948	23,250,701	20,385,316	20,224,827	45,358,264	43,475,528
Restricted	2,905,693	1,447,179	-	-	2,905,693	1,447,179
Unrestricted	439,529	(885,439)	7,818,856	7,810,232	8,258,385	6,924,793
Total net position	$ 28,318,170	$ 23,812,441	$ 28,204,172	$ 28,035,059	$ 56,522,342	$ 51,847,500

Governmental Activities

The City's governmental activities ended 2022 with positive net position. Cash balances increased by $1,288,957, or 18.5%, compared to a 15.6% increase from 2020 to 2021. The cash balance increase is attributable in large part to the sales tax and franchise tax receipts exceeding budget expectations as well as conservative spending throughout the operational budgets. Capital assets increased by $898,500, or 2.8%. Notable projects completed in 2022 include the Main Street corridor project, water main project design, and Main Street crosswalk.

The deferred outflow of resources increased by $742,923, or 47.8%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities increased $1,517,905, or 9.4%. Short-term liabilities, which include accounts payable, accrued liabilities, temporary notes payable and accrued interest payable, decreased by $1,085,161, or 55.1%. Accounts payable increased 18.9%, however temporary notes payable decreased $1,200,000 (100%) due to a payoff of General Obligation Temporary Notes, Series 2021-1. Long-term liabilities increased by $2,603,066, or 18.5%. The increase in long-term liabilities is due to a 54.8% increase of the City's net pension liability.

The deferred inflow of resources increased by $1,698,828, or 31.5%, due to the net difference between projected and actual earnings on pension plan investments, as well as the adoption of new accounting standards, GASB 87, which recognizes certain lease assets and liabilities as inflows or outflows of resources that were previously classified as operating leases. See Notes 1 and 5 for additional information.

Business-type activities

The City's business-type activities ended 2022 with positive net position.

The total cash position decreased by $22,784, or 0.3%. Receipts from customers increased in 2022 by 3.2% and operating expenses decreased by 3.7% due primarily to eliminating the payment to Atchison County related to a county ballot question that directed all county-wide sales tax revenues to Atchison County and eliminated the City's distribution that was received in prior years. Rates for residential water customers were unchanged while commercial rates increased by 5% in 2022. Wastewater and combined sewer overflow charges were increased by 1% and 2.5% respectively in 2022.

Capital assets decreased by $739,612, or 2.2%. After several years of large water system and combined sewer system improvements, the increase in accumulated depreciation outstripped any new capital asset additions in 2022. The largest wastewater project for 2022 was the completion of a curb and gutter project on 17th Street.

The deferred outflow of resources increased by $167,391, or 61.2%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities decreased by $476,693, or 3.4%. The decrease in liabilities is due to a decrease in General Obligation Bond ending balance and a slight decrease in the ending balance for financed purchases after making scheduled payments.

The deferred inflow of resources decreased by $250,096, or 89.6%, due to the net difference between projected and actual earnings on pension plan investments.

Statement of Activities

Changes in net position of the city for the years ended December 31 were:

Changes in Net Position	Governmental Activities			Business-Type Activities		Total		
	2022	#	2021	2022	2021	2022	#	2021
Revenues:								
Program revenues:								
Charges for services	$ 892,810		$ 1,037,219	$ 7,683,489	$ 7,446,552	$ 8,576,299		$ 8,483,771
Operating grants and contribution	2,474,942		1,586,811	-	-	2,474,942		1,586,811
Capital grants and contributions	2,105,118		2,247,925	-	-	2,105,118		2,247,925
General revenues:								
Property taxes	4,223,363		4,192,137	-	-	4,223,363		4,192,137
Other taxes	4,083,983		3,725,717	1,325,813	1,315,053	5,409,796		5,040,770
Unrestricted investment earnings	43,033		169	-	-	43,033		169
Other	(186,228)		12,795	58,900	5,100	(127,328)		17,895
Total revenues	13,637,021		12,802,773	9,068,202	8,766,705	22,705,223		21,569,478
Expenses:								
General government	3,944,238		3,673,249	-	-	3,944,238		3,673,249
Public safety	4,216,301		3,846,626	-	-	4,216,301		3,846,626
Public works	2,317,454		2,145,577	-	-	2,317,454		2,145,577
Parks and recreation	863,203		802,623	-	-	863,203		802,623
Interest on long-term debt	214,712		228,798	-	-	214,712		228,798
Water	-		-	3,511,751	3,380,518	3,511,751		3,380,518
Wastewater	-		-	2,365,551	2,349,352	2,365,551		2,349,352
Refuse	-		-	597,171	996,169	597,171		996,169
Total expenses	11,555,908		10,696,873	6,474,473	6,726,039	18,030,381		17,422,912
Increase in net position before transfers	2,081,113		2,105,900	2,593,729	2,040,666	4,674,842		4,146,566
Transfers	2,424,616		1,317,585	(2,424,616)	(1,317,585)	-		-
Change in net position	4,505,729		3,423,485	169,113	723,081	4,674,842		4,146,566
Net position, beginning	23,812,441		20,388,956	28,035,059	27,311,978	51,847,500		47,700,934
Net position, ending	$ 28,318,170		$ 23,812,441	$ 28,204,172	$ 28,035,059	$ 56,522,342		$ 51,847,500

Governmental Activities

- Total revenues from governmental programs increased by $834,248, or 6.5%. Charges for services and capital grants and contributions decreased slightly in 2022, and operating grants and contributions increased significantly in 2022. The city received capital grants for the airport runway project. Municipal court fines and fees and revenues for nuisance abatements decreased by 17%. Property tax collections increased slightly by 0.7% based on increased property valuations (see below for more detail) and strong delinquent tax collections. Sales tax collections remained nearly flat in 2022 with less than a 1% increase compared to 2021.

- Total expenses increased by $859,035, or 8%. This increase can be attributed to salary increases and increased costs for fuel, utilities, and materials across the governmental activities.

- The tables below compare the mill levies and the related assessed values for the 2021 and 2022 budget. Per the County Appraiser, total assessed values increased by 1.2%. The real estate valuation increased 0.9% while the personal property valuation decreased by 2.8%. The Utilities valuation increased 0.7%. Finally, the value of property in the Neighborhood Revitalization program decreased in 2022. The owners of the property enjoy tax rebates for up to 10 years after construction or improvements to the property, but the improved value of the property is added back to the tax rolls based on the program's graduated rebate schedule. The net impact of the changes is a net increase in valuation of 0.7%. As noted in the table below, the mill levy decreased by just 0.013 mills.

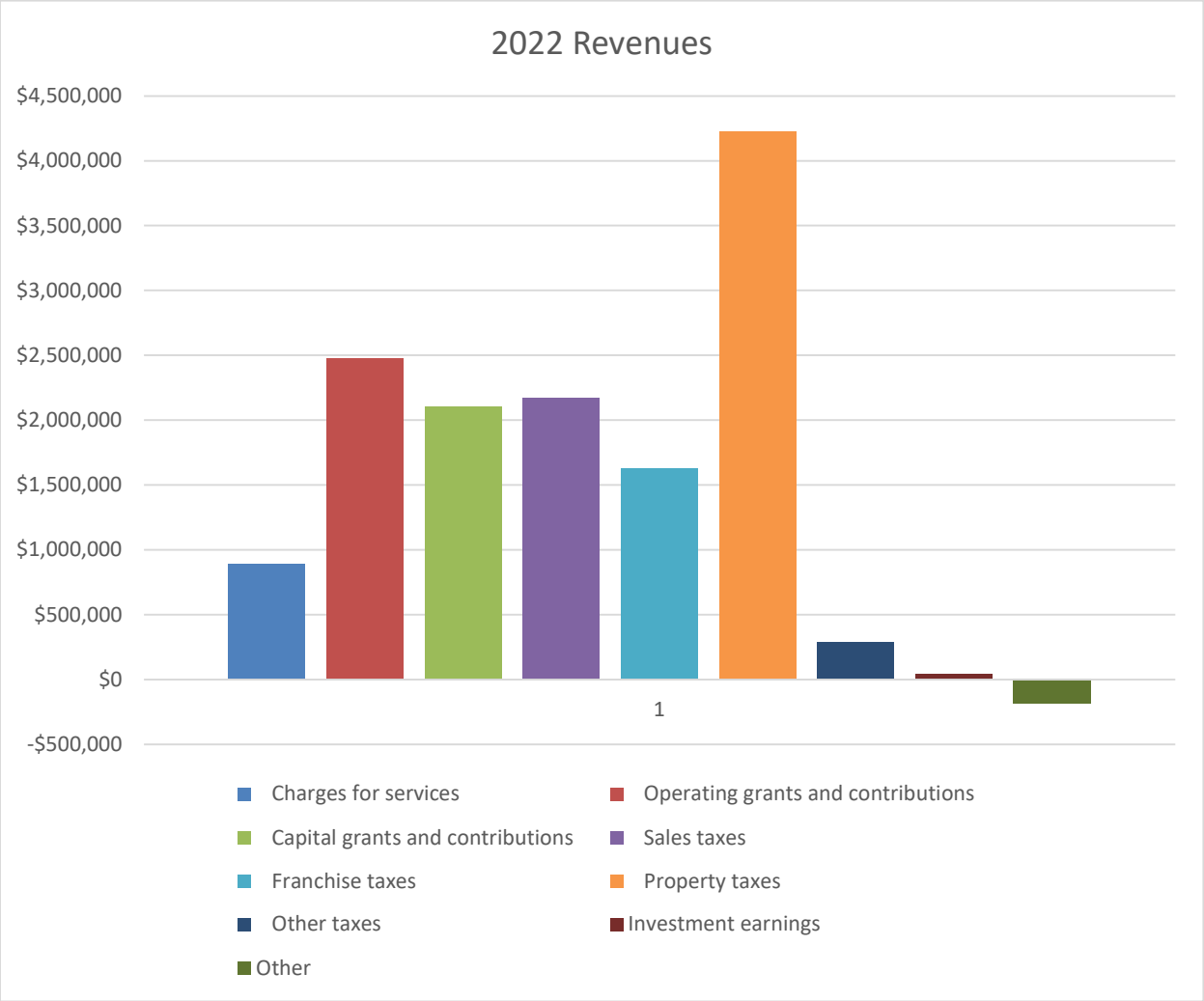
Mill Levy Rates

	2021 Levy to Support 2022 Budget	2020 Levy to Support 2021 Budget
General	41.537	41.052
Debt Service	9.500	9.998
Library	7.000	7.000
Total Levy	58.037	58.050

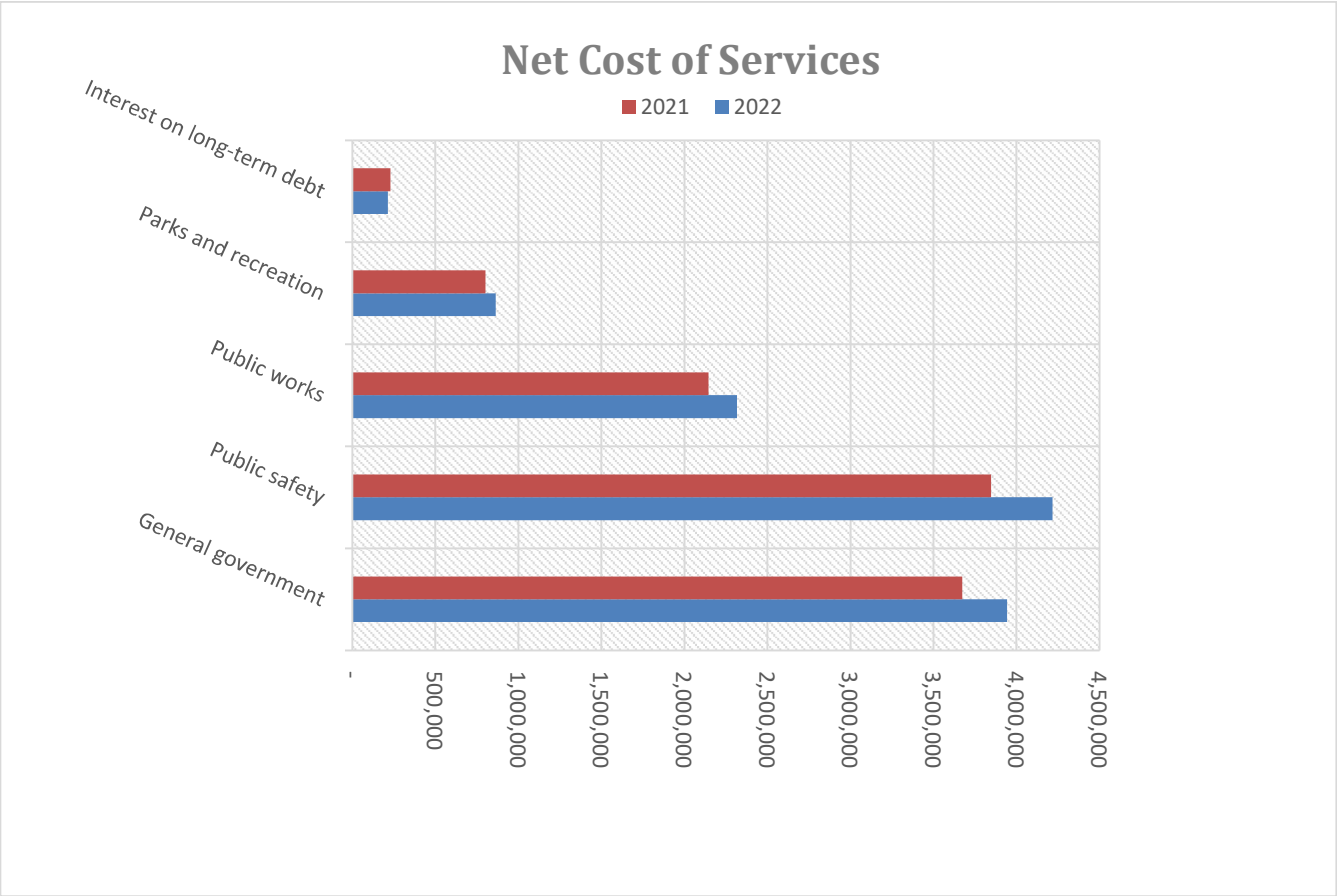
Assessed Valuation

	2021 Valuation to Support 2022 Budget	2020 Valuation to Support 2021 Budget	Increase/ (Decrease) Over Prior Year	% Change
Real Estate	$ 65,955,559	$ 65,391,331	$ 564,228	0.86%
Personal Property	3,095,415	3,185,179	(89,764)	-2.82%
Utilities	9,413,460	9,344,233	69,227	0.74%
Neighborhood Revitalization	(4,210,040)	(4,514,879)	304,839	-6.75%
	$ 74,254,394	$ 73,405,864	$ 848,530	1.16%

The following graph illustrates the composition of 2022 primary government revenues.



The following graph compares the net cost of services for governmental activities in 2022 and 2021:



The total cost of services in 2022 was $11,555,908; however, $5,472,870 was funded by users directly benefiting from the services, or by other organizations through operating and capital grants and contributions. The City's taxpayers, primarily through property taxes, franchise fees and sales taxes, paid the remaining $6,083,038 of these services.

Business-type Activities

- Total revenues for business activities increased by $301,497, or 3.4%. Revenue from charges for services increased 3.2%. The city did implement rate increases in 2022: water 5% for commercial users, wastewater 1% and CSO fees by 2.5%. Sales tax collections used to fund the solid waste department increased by $10,760, or 0.8%.

- Expenses for business-type activities decreased by $251,566 (3.7%), mostly due to the payment to Atchison County from the solid waste fund being eliminated for 2022. Personnel costs increased slightly as the city was able to fill open positions throughout the year. Spending for contractual services increased for the water and wastewater funds in utility costs and increased slightly in the wastewater fund for repair and maintenance costs.

Analysis of the Fund Financial Statements

The City uses fund accounting to enhance and demonstrate fiscal responsibility and compliance with finance related legal requirements.

	Total Fund Balance at December 31		Unrestricted Fund Balance at December 31	
	2022	2021	2022	2021
General	$ 4,002,107	$ 4,094,951	$ 4,002,107	$ 4,094,951
Capital Projects	1,914,606	1,374,590	1,826,964	1,289,407
Debt Service	339,109	390,745	-	-
Grant Funds	2,220,737	876,492	-	-
Water	14,615,882	14,570,733	2,314,005	2,502,626
Wastewater	12,410,269	12,325,038	4,319,945	4,160,453
Refuse	1,178,021	1,139,288	1,184,906	1,147,153
Total	$ 36,680,731	$ 34,771,837	$ 13,647,927	$ 13,194,590

Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information about current inflows, outflows, and balances of spendable resources. The unrestricted fund balance is a helpful measure of the City's resources available for expenditure at the end of the year. Overall, the City's major funds experienced a slight 1.7% increase in total fund balance because of 2022 operations.

The general fund is the main operating fund of the City. As of December 31, 2022, the unassigned balance for the general fund was $3,727,159. To assess the liquidity of a fund it may be useful to compare the fund balance (total and unassigned) to the fund's total expenditures. For 2022, the unassigned fund balance is 40.1% of fund expenditures and the total fund balance is 43.1% of expenditures. The General Fund balance decreased by 2.3% from 2021. General fund revenues increased by 6.2% and expenditures increased 11.0% from 2021. Other financing sources decreased by $215,063 (24.4%).

There was an increase in the capital projects fund balance of 39.3%. The capital projects fund does not lend itself to year over year comparison because project spending tends to vary depending upon the priorities of the City Commission and the resources available.

There was a decrease in the debt service fund balance of 13.2%. No new debt was issued during 2022 and the reduced fund balance can be attributed to principal and interest payments made that paid down the outstanding debt balance.

There was an increase in the grant fund balance of 153.4%. Like the capital projects fund, the grants fund does not lend itself to year over year comparison because grant applications are driven by project priorities set by the City Commission and funds are contingent upon an award. The City received the second tranche of ARPA funds in 2022 and a significant donation of funds to be used towards the airport project.

The Water Fund remained virtually unchanged at $14,615,882. The operating revenues of the water fund increased by 5.1%, and operating expenses increased by 5.4%.

The Wastewater Fund balance increased by less than one percent to $12,410,269. Revenues remained flat while operating expenses, less depreciation, increased by 6.6%. The fund had an operating income of $524,769 at year end. Capital contributions to the fund increased $175,895.

The Refuse Fund balance increased 3.4% to $1,178,021. While the sales tax revenues used for this fund increased by less than one percent in 2022, operating expenses increased by 41.2% due to the payment to Atchison County being eliminated in 2022.

General Fund Budgetary Highlights

The following revenue and expenditure categories experienced significant differences between budgeted versus actual expenditures. Overall, the General Fund ended the year with a positive budget variance.

- Sales taxes and Transient Guest Taxes: sales taxes exceeded budget expectations in 2022 coming in 5.9% higher than budgeted. Transient Guest Tax collections also exceeded expectations in 2022 by 56.1%.
- Franchise taxes: energy costs were higher in 2022, in part due to charges passed on by energy companies to recoup the cost of a large winter storm in 2021-2022, therefore gross sales which franchise fees are calculated on were also higher, resulting in franchise taxes exceeding budget expectations for 2022.
- Licenses and permits: building permits were higher than expected with two large and three significant projects permitted.
- Expenditures: Several departments experienced significant variances against budget. Most of the variances are positive:
    - City Manager: expenses exceeded budget expectations in 2022 by 3%. Due to a full-time employee being formerly paid one-third from this budget shifting to a contract position, the full amount of the contract was paid from the economic development funds. Additionally, the City Commission authorized payment to a firm that provides business planning and consulting services to northeast Kansas, including Atchison County. Historically, Atchison County provided funding to the firm.
    - Human Resources: salary exceeded budget expectations in 2022.
    - Finance: personnel costs were less than budget because of mid-year personnel changes that resulted in one employee being expensed from the economic development funds and one position partially paid from Finance that remained vacant through the end of the year.
    - Community Development: personnel costs came in below budget expectations due to a vacancy where salary is split with Finance that remained open through the end of the year. This department had savings in contractual services i.e., neighborhood assistance, nuisance abatement and professional services.
    - Atchison Event Center: At the end of 2020, the operations of the Event Center were turned over to a local non-profit resulting in budget savings to the city. Contractual and materials and supplies expenses came in under budget expectations for 2022.
    - Fire: Personnel costs at the Fire department were over budget due to personnel costs and overtime costs being higher than were budgeted for, while group health insurance costs were lower than budgeted.
    - Police: salaries, health insurance and workers compensation insurance costs were lower than budget in this department. Higher fuel prices, increased vehicle expenses, and increased cost for equipment and repairs created a negative budget variance in materials and supplies. Overall, the police budget ended with a positive budget variance.
    - Animal Control: health insurance and overtime, professional services, and supplies costs were lower than budget expectations, creating a positive budget variance.
    - Facilities: costs for utilities and maintenance came in below budget expectations, creating a positive budget variance.
    - Public Works Administration: this department had savings in part-time salaries and small savings in contractual services.

- Parks: Personnel services are under budget because of savings in health insurance costs and utilities and difficulty in keeping positions filled in 2022. Fuel, chemical, and parts and materials costs had a negative impact on the budget. Overall, this budget ended with a positive budget variance.
- Municipal Pool: In 2022, staffing resumed normal levels compared to 2021, and personnel costs, contractual services, and materials and supplies each exceeded budget expectations, causing a negative budget variance of 4.7%.

Capital Assets and Debt Administration

Capital Assets

The City's total investment in capital assets as of December 31, 2022, was $65,671,320 (net of accumulated depreciation). This is a 0.2% increase from 2021. A breakdown of assets by category is presented below.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 3,123,254	$ 3,123,254	$ 101,537	$ 101,537	$ 3,224,791	$ 3,224,791
Construction in progress	1,475,513	1,140,930	135,455	153,222	1,610,968	1,294,152
Buildings and systems	5,551,562	5,811,252	30,318,734	30,884,374	35,870,296	36,695,626
Improvements	5,215,170	5,612,939	-	-	5,215,170	5,612,939
Machinery and equipment	1,270,824	1,253,530	1,731,666	1,887,871	3,002,490	3,141,401
Infrastructure	16,747,605	15,543,523	-	-	16,747,605	15,543,523
	$ 33,383,928	$ 32,485,428	$ 32,287,392	$33,027,004	$ 65,671,320	$ 65,512,432

Construction in progress increased significantly due to several projects including the ongoing airport runway project and the start of a street rehabilitation project, park improvement projects, and the start of a project to repair the 1940s settling basin liners at the water treatment plant to repair significant leaks. Notable projects completed in 2022 include the Main Street corridor project, water main project design, and Main Street crosswalk.

Additional information regarding the City's capital assets can be found in Notes 1 and 6 in the notes to the financial statements.

Debt Administration

Long-term debt – The outstanding general obligation bonds on December 31, 2022, totaled $7,671,769 and the outstanding bonds supported by revenues of business activities totaled $11,725,000. In 2021, Moody's Investor Services gave the city an "A1" credit rating, positively impacting rates for future bond issuances.

The ratio of general obligation bonded debt to assessed valuation and the amount of bonded debt per capita provide useful indicators of the City's debt position to citizens, elected officials, City management and investors. This data for the city at the end of 2022 is presented below.

	Net General Obligation Debt	Ratio of Debt To Assessed Value	Debt Per Capita
2022	$7,671,769	10.33%	$715

State statutes limit net general obligation debt to 30 percent of assessed value. On December 31, 2021, taxable assessed valuation was $74,254,394 and net bonded debt was $7,321,948. The City's debt margin totaled $14,954,370.

Additional information regarding the City's debt can be found in Note 11 in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. In compliance with the Kansas Open Records Act, questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 515 Kansas Avenue, Atchison, Kansas 66002.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Public Library
Assets:				
Cash and cash equivalents	$ 8,176,717	$ 7,730,420	$ 15,907,137	$ 380,563
Restricted cash and investments	87,642	-	87,642	58,404
Receivables, net of allowance for uncollectibles:				
Taxes	4,393,129	239,111	4,632,240	595,724
Intergovernmental	587,014	3,506	590,520	-
Accounts	204,679	1,004,052	1,208,731	-
Interest	18,834	-	18,834	-
Loans	52,200	-	52,200	-
Leases	2,618,312	-	2,618,312	-
Special assessments	1,260,000	-	1,260,000	-
Capital assets, net of accumulated depreciation/amortization:				
Land	3,123,254	101,537	3,224,791	8,995
Construction in progress	1,475,513	135,455	1,610,968	-
Books	-	-	-	24,311
Buildings and systems	5,551,562	30,318,734	35,870,296	686,345
Improvements	5,215,170	-	5,215,170	-
Machinery and equipment	1,270,824	1,731,666	3,002,490	35,125
Infrastructure	16,747,605	-	16,747,605	-
Total assets	50,782,455	41,264,481	92,046,936	1,789,467
Deferred outflows of resources:				
Deferred outflows - OPEB	179,812	-	179,812	-
Deferred outflows - pension	2,117,752	440,998	2,558,750	84,424
Total deferred outflows of resources	2,297,564	440,998	2,738,562	84,424
Liabilities:				
Accounts payable	711,211	158,582	869,793	-
Accrued liabilities	94,843	27,890	122,733	15,284
Accrued interest payable	76,930	71,989	148,919	-
Noncurrent liabilities:				
Due within one year	1,209,845	986,670	2,196,515	11,297
Due in more than one year	15,491,784	12,227,012	27,718,796	255,301
Total liabilities	17,584,613	13,472,143	31,056,756	281,882
Deferred inflows of resources:				
Deferred inflows - property taxes	3,871,208	-	3,871,208	595,724
Deferred inflows - OPEB	596,194	-	596,194	-
Deferred inflows - pension	89,026	29,164	118,190	13,460
Deferred inflows - leases	2,620,808	-	2,620,808	-
Total deferred inflows of resources	7,177,236	29,164	7,206,400	609,184
Net position:				
Net investment in capital assets	24,972,948	20,385,316	45,358,264	754,776
Restricted for:				
Substance abuse prevention and emergency shelter	2,199,172	-	2,199,172	-
Capital projects and maintenance	153,514		153,514	-
Debt service	349,821	-	349,821	-
Library projects	-	-	-	28,701
Public safety	30,762	-	30,762	-
Parks and recreation facilities	81,710	-	81,710	-
Acquisition and re-development of property	90,714	-	90,714	-
Unrestricted	439,529	7,818,856	8,258,385	199,348
Total net position	$ 28,318,170	$ 28,204,172	$ 56,522,342	$ 982,825

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Public Library
Primary government:								
Governmental activities:								
General government	$ 3,944,238	$ 650,781	$ 2,111,833	$ -	$ (1,181,624)	$ -	$ (1,181,624)	$ -
Public safety	4,216,301	98,387	29,284	11,747	(4,076,883)	-	(4,076,883)	-
Public works	2,317,454	143,642	285,673	2,093,371	205,232	-	205,232	-
Parks and recreation	863,203	-	48,152	-	(815,051)	-	(815,051)	-
Interest on long-term debt	214,712	-	-	-	(214,712)	-	(214,712)	-
Total governmental activities	11,555,908	892,810	2,474,942	2,105,118	(6,083,038)	-	(6,083,038)	-
Business-type activities:								
Water	3,511,751	4,835,072	-	-	-	1,323,321	1,323,321	-
Wastewater	2,365,551	2,828,344	-	-	-	462,793	462,793	-
Refuse	597,171	20,073	-	-	-	(577,098)	(577,098)	-
Total business-type activities	6,474,473	7,683,489	-	-	-	1,209,016	1,209,016	-
Total primary government	$ 18,030,381	$ 8,576,299	$ 2,474,942	$ 2,105,118	(6,083,038)	1,209,016	(4,874,022)	-
Component unit:								
Public Library	$ 759,007	$ 5,609	$ 55,515	$ -	-	-	-	(697,883)
General revenues:								
Property taxes					4,223,363	-	4,223,363	631,455
Sales taxes					2,173,877	1,325,813	3,499,690	-
Franchise taxes					1,625,448	-	1,625,448	-
Guest taxes					228,341	-	228,341	-
Payment in lieu of taxes					56,317	-	56,317	-
Unrestricted investment income (loss)					43,033	-	43,033	(8,870)
Gain (loss) on sale of capital assets					(186,228)	58,900	(127,328)	-
Transfers					2,424,616	(2,424,616)	-	-
Total general revenues and transfers					10,588,767	(1,039,903)	9,548,864	622,585
Change in net position					4,505,729	169,113	4,674,842	(75,298)
Net position, beginning of year					23,812,441	28,035,059	51,847,500	996,675
Prior period adjustment					-	-	-	61,448
Net position, beginning of year restated					23,812,441	28,035,059	51,847,500	1,058,123
Net position, end of year					$ 28,318,170	$ 28,204,172	$ 56,522,342	$ 982,825

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 3,806,665	$ 1,386,432	$ 339,109	$ 2,280,251	$ 364,260	$ 8,176,717
Restricted cash and investments	-	87,642	-	-	-	87,642
Receivables (net of allowance for uncollectibles):						
Taxes	3,660,275	-	732,854	-	-	4,393,129
Intergovernmental	-	584,557	-	2,457	-	587,014
Accounts	204,679	-	-	-	-	204,679
Interest	18,834	-	-	-	-	18,834
Loans	52,200	-	-	-	-	52,200
Leases	2,618,312	-	-	-	-	2,618,312
Special assessments	-	-	1,260,000	-	-	1,260,000
Total assets	$ 10,360,965	$ 2,058,631	$ 2,331,963	$ 2,282,708	$ 364,260	$ 17,398,527
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Accounts payable	$ 504,853	$ 144,025	$ -	$ 61,971	$ 362	$ 711,211
Accrued payroll	94,843	-	-	-	-	94,843
Total liabilities	599,696	144,025	-	61,971	362	806,054
Deferred inflows of resources:						
Deferred inflows - property taxes	3,138,354	-	732,854	-	-	3,871,208
Deferred inflows - special assessments	-	-	1,260,000	-	-	1,260,000
Deferred inflows - leases	2,620,808	-	-	-	-	2,620,808
Total deferred inflows of resources	5,759,162	-	1,992,854	-	-	7,752,016
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	-	-	-	2,151,588	47,584	2,199,172
Capital projects and maintenance	-	-	-	7,240	146,274	153,514
Public safety	-	-	-	30,762	-	30,762
Parks and recreation facilities	-	-	-	31,147	50,563	81,710
Debt service	-	87,642	339,109	-	-	426,751
Acquisition and re-development of property	-	-	-	-	90,714	90,714
Assigned:						
Purchases on order - finance	30,830	-	-	-	-	30,830
Subsequent year's budget - appropriation of fund balance	244,118	1,826,964	-	-	28,763	2,099,845
Unassigned	3,727,159	-	-	-	-	3,727,159
Total fund balances	4,002,107	1,914,606	339,109	2,220,737	363,898	8,840,457
Total liabilities, deferred inflows of resources, and fund balances	$ 10,360,965	$ 2,058,631	$ 2,331,963	$ 2,282,708	$ 364,260	$ 17,398,527

* See the General Fund Combining Balance Sheet on page 84.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Total fund balance in governmental funds balance sheet	$	8,840,457
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		33,383,928
Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.		1,260,000
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		2,297,564
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(16,778,559)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then.		(685,220)
Net position of governmental activities	$	28,318,170

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 3,430,416	$ -	$ 792,947	$ -	$ -	$ 4,223,363
Sales	2,159,889	13,988	-	-	-	2,173,877
Franchise	1,625,448	-	-	-	-	1,625,448
Transient guest	218,600	9,741	-	-	-	228,341
Payments in lieu of taxes	56,317	-	-	-	-	56,317
Intergovernmental	165,399	727,821	-	1,793,303	381,877	3,068,400
Licenses and permits	194,215	-	-	-	-	194,215
Charges for services	386,316	-	-	-	-	386,316
Fines and fees	170,990	-	-	-	-	170,990
Interest on investments	42,180	853	-	-	-	43,033
Operating grants	74,504	-	-	-	-	74,504
Other	6,258	82,266	16,667	21,395	35,173	161,759
Total revenues	8,530,532	834,669	809,614	1,814,698	417,050	12,406,563
Expenditures:						
Current:						
General government	2,535,484	720	-	470,453	205,278	3,211,935
Public works	1,454,829	19,752	-	-	-	1,474,581
Public safety	3,705,864	-	-	-	1,438	3,707,302
Parks and recreation	752,281	-	-	-	2,868	755,149
Debt service:						
Principal	116,808	1,275,200	715,000	-	-	2,107,008
Interest and fiscal charges	36,705	29,993	146,250	-	-	212,948
Bond issuance costs	-	42,259	-	-	-	42,259
Capital outlay	687,799	3,491,342	-	-	-	4,179,141
Total expenditures	9,289,770	4,859,266	861,250	470,453	209,584	15,690,323
Excess (deficiency) of revenues over (under) expenditures	(759,238)	(4,024,597)	(51,636)	1,344,245	207,466	(3,283,760)
Other financing sources (uses):						
Sale of capital assets	48,396	170,958	-	-	-	219,354
Issuance of general obligation bonds	-	1,260,000	-	-	-	1,260,000
Issuance of lease obligations	9,542	-	-	-	-	9,542
Insurance recoveries	155,760	-	-	-	-	155,760
Transfers in	1,117,607	3,183,655	-	-	20,000	4,321,262
Transfers out	(664,911)	(50,000)	-	-	(95,000)	(809,911)
Total other financing sources	666,394	4,564,613	-	-	(75,000)	5,156,007
Net change in fund balances	(92,844)	540,016	(51,636)	1,344,245	132,466	1,872,247
Fund balances, beginning of year	4,094,951	1,374,590	390,745	876,492	231,432	6,968,210
Fund balances, end of year	$ 4,002,107	$ 1,914,606	$ 339,109	$ 2,220,737	$ 363,898	$ 8,840,457

*See the General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balances on page 85.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,872,247
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.		1,281,142
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position		(404,656)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds		1,260,000
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		845,761
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(348,765)
Change in net position of governmental activities	$	4,505,729

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Assets:				
Current assets:				
Cash and cash equivalents	$ 2,316,729	$ 4,305,069	$ 1,108,622	$ 7,730,420
Receivables (net of allowance for uncollectibles):				
Accounts	641,159	359,762	3,131	1,004,052
Sales tax	-	-	239,111	239,111
Intergovernmental	3,506	-	-	3,506
Total current assets	2,961,394	4,664,831	1,350,864	8,977,089
Noncurrent assets:				
Capital assets:				
Land	84,396	17,141	-	101,537
Buildings and systems	35,788,156	24,122,076	-	59,910,232
Machinery and equipment	3,193,676	2,361,096	675,040	6,229,812
Construction in progress	33,864	101,591	-	135,455
Less accumulated depreciation	(18,521,982)	(14,915,059)	(652,603)	(34,089,644)
Total noncurrent assets	20,578,110	11,686,845	22,437	32,287,392
Total assets	23,539,504	16,351,676	1,373,301	41,264,481
Deferred outflows of resources:				
Deferred outflows - pension	196,876	172,429	71,693	440,998
Liabilities:				
Current liabilities:				
Accounts payable	88,322	56,317	13,943	158,582
Accrued payroll	19,874	4,873	3,143	27,890
Accrued interest payable	50,773	21,216	-	71,989
Accrued compensated absences - current	43,114	7,159	9,878	60,151
Bonds payable - current	646,919	250,278	-	897,197
Leases payable - current	-	-	29,322	29,322
Total current liabilities	849,002	339,843	56,286	1,245,131
Noncurrent liabilities:				
Accrued compensated absences	46,827	2,026	15,674	64,527
Net pension liability	566,191	425,724	195,013	1,186,928
Bonds payable	7,629,314	3,346,243	-	10,975,557
Total noncurrent liabilities	8,242,332	3,773,993	210,687	12,227,012
Total liabilities	9,091,334	4,113,836	266,973	13,472,143
Deferred inflows of resources:				
Deferred inflows - pension	29,164	-	-	29,164
Net position:				
Net investment in capital assets	12,301,877	8,090,324	(6,885)	20,385,316
Unrestricted	2,314,005	4,319,945	1,184,906	7,818,856
Total net position	$ 14,615,882	$ 12,410,269	$ 1,178,021	$ 28,204,172

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2022

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Operating revenues:				
Charges for sales and services	$ 4,835,072	$ 2,828,344	$ 20,073	$ 7,683,489
Operating expenses:				
Personnel services	752,053	657,360	306,840	1,716,253
Contractual services	326,332	443,102	154,026	923,460
Supplies	539,717	47,799	97,832	685,348
Utilities	418,148	298,768	9,543	726,459
Depreciation	1,313,989	856,546	26,925	2,197,460
Total operating expenses	3,350,239	2,303,575	595,166	6,248,980
Operating income (loss)	1,484,833	524,769	(575,093)	1,434,509
Nonoperating revenues (expenses):				
Sales tax revenue	-	-	1,325,813	1,325,813
Sale of general capital assets	28,500	30,400	-	58,900
Interest expense	(161,512)	(61,976)	(2,005)	(225,493)
Total nonoperating revenues (expenses)	(133,012)	(31,576)	1,323,808	1,159,220
Income before transfers and capital contributions	1,351,821	493,193	748,715	2,593,729
Capital contributions	910,840	175,895	-	1,086,735
Transfers in	-	-	29,911	29,911
Transfers out	(2,217,512)	(583,857)	(739,893)	(3,541,262)
Change in net position	45,149	85,231	38,733	169,113
Net position, beginning of year	14,570,733	12,325,038	1,139,288	28,035,059
Net position, end of year	$ 14,615,882	$ 12,410,269	$ 1,178,021	$ 28,204,172

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Cash flows from operating activities:				
Receipts from customers	$ 4,818,151	$ 2,818,267	$ 19,972	$ 7,656,390
Payments to suppliers	(1,307,627)	(834,452)	(260,592)	(2,402,671)
Payments to employees	(708,340)	(630,496)	(293,895)	(1,632,731)
Net change in cash from operating activities	2,802,184	1,353,319	(534,515)	3,620,988
Cash flows from noncapital financing activities:				
Proceeds from sales tax revenue	-	-	1,315,583	1,315,583
Transfers in from other funds	-	-	29,911	29,911
Transfers to other funds	(2,217,512)	(583,857)	(739,893)	(3,541,262)
Net change in cash from noncapital financing activities	(2,217,512)	(583,857)	605,601	(2,195,768)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(371,113)	-	(371,113)
Proceeds from sale of capital assets	28,500	30,400	-	58,900
Principal paid on capital leases	-	-	(27,905)	(27,905)
Interest paid on capital debt	(169,220)	(76,661)	(2,005)	(247,886)
Principal paid on general obligation bonds	(635,000)	(225,000)	-	(860,000)
Net change in cash from capital and related financing activities	(775,720)	(642,374)	(29,910)	(1,448,004)
Net change in cash and cash equivalents	(191,048)	127,088	41,176	(22,784)
Cash and cash equivalents, beginning of year	2,507,777	4,177,981	1,067,446	7,753,204
Cash and cash equivalents, end of year	$ 2,316,729	$ 4,305,069	$ 1,108,622	$ 7,730,420

(Continued)

CITY OF ATCHISON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(Continued)
Year Ended December 31, 2022

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Reconciliation of operating income (loss) to net change in cash from operating activities:				
Operating income (loss)	$ 1,484,833	$ 524,769	$ (575,093)	$ 1,434,509
Adjustments to reconcile operating income (loss) to net change in cash from operating activities:				
Items not requiring cash:				
Depreciation and amortization expense	1,313,989	856,546	26,925	2,197,460
Changes in:				
Accounts receivable	(18,722)	(10,077)	(101)	(28,900)
Intergovernmental receivable	1,801	-	-	1,801
Deferred outflows - pension	(60,531)	(81,884)	(24,976)	(167,391)
Accounts payable	(23,430)	(44,783)	809	(67,404)
Accrued compensated absences	8,356	307	1,273	9,936
Accrued payroll	5,572	(1,330)	2	4,244
Net pension liability	209,114	195,773	81,942	486,829
Deferred inflows - pension	(118,798)	(86,002)	(45,296)	(250,096)
Net change in cash from operating activities	$ 2,802,184	$ 1,353,319	$ (534,515)	$ 3,620,988

Noncash capital financing activities:

Contributions of capital assets of $ 910,840 were acquired in the water fund from governmental funds.
Contributions of capital assets of $ 175,895 were acquired in the wastewater fund from governmental funds.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2022

	Custodial Funds
Assets:	
Cash and cash equivalents	$ 96,363
Liabilities:	
Due to others	316
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	96,047
Total liabilities and net position	$ 96,363

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2022

	Custodial Funds
Additions:	
Charges for service	$ 91,697
Contributions	363,478
Miscellaneous	23,770
Total additions	478,945
Deductions:	
Payments to others	336,171
Administrative	91,753
Miscellaneous	63,126
Total deductions	491,050
Net change in net position	(12,105)
Net position, beginning of year	108,152
Net position, end of year	$ 96,047

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Atchison, Kansas (the City) was incorporated in 1858. The City operates under a City Commission - Manager form of government. The accompanying basic financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for the description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The Atchison Public Library (the Library) is operated by a Library Board which is appointed by the City Commission. The City levies and collects a special library tax to subsidize the Library's operations. The Library's operating budget is limited to seven mills by charter ordinance of the City Commission. The City must approve acquisition or disposition of real property by the Library, but the Library owns the capital assets. Bond issuances must also be approved by the City. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are

levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, parks, recreation, and administration.

The capital projects fund is a fund used by the City for the acquisition and construction of major facilities other than those financed by the enterprise funds.

The debt service fund is a fund used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The grants fund is used to account for grant proceeds received from various funding sources.

The City reports the following major proprietary funds:

The water fund accounts for the operation and maintenance activities of the City's water distribution system.

The wastewater fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment system.

Additionally, the City reports the following fund type:

Custodial funds are used to report resources held by the City in a custodial capacity for remittance to private organizations. These funds are held on behalf of the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veteran's Memorial Park.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water/wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

Cash and cash equivalents of the individual funds are combined to form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled funds consist of operating accounts. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average monthly equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2022, interest earnings allocated to the various funds were $ 43,033.

The City's investments are reported in the accompanying financial statements at fair value, except for the money market account which is recorded at cost as it is considered to be a cash equivalent.

The Library's investments at the Atchison Area Community Foundation (AACF) are pooled shares recorded at net asset value based on quoted market prices or at estimated fair value as reported by the fund manager. The fair value of the Library's position is the same as the pool value of the shares as reported by the fund manager. AACF invests in various other investments including private equity funds, fixed income and other alternative investments.

Cash Flows Statement

For purposes of the cash flows statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2022, an allowance for uncollectible receivables of approximately $ 781,000 has been recorded.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	$ 3,138,354
General fund leases receivable	2,620,808
Debt service fund property tax receivable	732,854
Debt service fund special assessments receivable	1,260,000
	$ 7,752,016

Property Taxes

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by the Atchison County Assessor. The assessed value for property located in the City on which the 2022 levy was based was $ 78,634,141.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2021 tax levy per $ 1,000 of assessed valuation which supports the 2022 budget was as follows:

General Fund	$	41.448
Debt Service Fund		9.480
Component unit:		
Public Library		7.000
	$	57.928

Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Special Assessments Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessment taxes are levied over a ten or twenty-year period and the annual installments are due and payable with annual ad valorem property taxes. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the special assessment receivables are reported as unavailable revenue in the fund financial statements.

Restricted Assets

Restricted investments consist of assets held by trustees for the sales tax special obligation revenue bonds.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than $ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives.

Buildings and systems	20 - 40 years
Improvements	20 years

Machinery and equipment	3 - 10 years
Infrastructure	40 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflows – pension reported in the government-wide and proprietary fund statements of net position. The second item is deferred outflows - OPEB reported in the government-wide statement of net position. See Notes 7 and 8 for more information on the deferred outflows for the pension plan and OPEB, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. One item, deferred inflows from property taxes, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. Deferred inflows from special assessments are reported in the governmental funds balance sheet. The other items are deferred inflows for leases, pension, and OPEB. See Notes 5, 7, and 8 for more information on the deferred inflows for the leases, pension plan, and OPEB, respectively.

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee with twenty years of service or more will receive accumulated sick leave up to a maximum of 120 days and all accumulated vacation leave, provided the employee has met all conditions set forth in Section VI of the City's personnel policy. An employee with fifteen to twenty years of service will receive one-half of accumulated sick leave, which is limited to a maximum of forty-five days, and all accumulated vacation leave in the event of termination. An employee with ten to fifteen years of service will receive one-fourth of accumulated sick leave, which is limited to a maximum of fifteen days, and all accumulated vacation leave in the event of termination. All vacation leave is accrued when incurred and the varying amounts of accumulated sick leave are accrued upon attaining ten, fifteen, and twenty years of service in the government-wide and proprietary financial statements. In the governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements.

Leases

The City is a party as lessor and lessee for various noncancellable long-term leases. The corresponding lease receivable or lease obligation payable are recorded in an amount equal to the present value of the expected future minimum lease payments received or paid, respectively, discounted by an applicable interest rate.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS, and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2022, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be spent for specific purposes determined by a formal action (adoption of an ordinance) of the City's highest level of decision-making authority, the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or

official to which the City Commission has delegated the authority by resolution to assign amounts to be used for specific purposes.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Concentrations of Credit Risk

Unsecured credit is extended to customers for water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state, and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

GASB Statement No. 87, *Leases* - This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement resulted in the reclassification of certain capital leases as financed purchases and reporting certain lease receivables, lease obligations, and leased assets, along with deferred inflows of resources and accumulated amortization. Beginning net position and fund balance were not impacted by the adoption of this statement.

Pending Governmental Accounting Standards Board Statements

At December 31, 2022, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* provides guidance for the financial reporting of public-private and public-public partnerships and availability payment arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022*, has objectives that are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance by the City. The requirements related to leases, PPPs, and SBITAs will be effective for the City in the fiscal year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, has an objective to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 101, *Compensated Absences*, has an objective to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the City in the fiscal year ended December 31, 2024.

Prior Period Adjustment

During the year ended December 31, 2022, the City determined a prior period restatement was necessary to record the investments held by the Library. The Library's beginning net position was increased by $ 61,448. There was no effect on current year revenues or expenditures as a result of the adjustment.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $ (16,778,559) difference are as follows:

Bonds payable	$	(7,575,000)
Bond premium		(96,769)
Sales tax special obligation revenue bonds		(529,600)
Notes payable - financed purchases		(187,430)
Lease obligations payable		(22,181)
Accrued interest payable		(76,930)
Compensated absences		(624,574)
Net pension liability		(6,992,636)
Total OPEB liability		(673,439)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	(16,778,559)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense." The details of this $ 1,281,142 difference are as follows:

Capital outlay	$	3,041,324
Depreciation expense		(1,751,119)
Amortization expense		(9,063)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	1,281,142

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and

similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $ 845,761 difference are as follows:

Principal repayments:		
General obligation bonds	$	770,000
Temporary notes payable		1,200,000
Notes payable - financed purchases		52,433
Lease obligations payable		9,375
Amortization of bond premium		8,295
Sales tax special obligation revenue bonds		75,200
Debt issued or incurred:		
General obligation bonds		(1,260,000)
Lease obligations payable		(9,542)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	845,761

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $ (348,765) difference are as follows:

Compensated absences	$	3,243
Accrued interest		(996)
Pension contributions		(329,829)
Total OPEB liability		(21,183)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(348,765)

3 - Stewardship, Compliance, and Accountability

Budgetary Information

Applicable Kansas statutes require that budgets be legally adopted for all funds unless exempted by a specific statute. Legal operating budgets are required for the General, Special Alcohol, Special Parks and Recreation, Motor Fuel, Debt Service, and Land Bank Funds. Budgets are not required for the Law Enforcement, DARE, Grants, Insurance Reserve, Capital Projects, Municipal Equipment Reserve, Façade Improvements, Health Insurance, Water, Wastewater, and Refuse Funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting - that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20. The City did hold a revenue neutral rate hearing for fiscal year 2022.

Kansas statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ended December 31, 2022.

Under Kansas statutes management cannot amend the total budget of a fund without approval of the governing body; however, the statutes permit transferring budgeted amounts between line items within an individual fund or department. Therefore, the legal level of control is at the fund level for all legally adopted budgets. The City has elected to pursue a policy of requiring approval of the City Manager on major category changes exceeding $ 5,000. City Commission approval is not needed for category changes or budget transfers between departments within the approved budget. Major category means total personnel services, total contractual services, total materials and supplies, total other charges, or total capital outlay.

4 - Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At December 31, 2022, the City's deposits were not exposed to custodial credit risk. The deposits for the Library were not exposed to custodial credit risk.

Investments

As of December 31, 2022, the City had the following investments:

Investment Type		Fair Value	Maturity	Rating
Money market mutual funds	$	13,204	< 1 year	Not rated
Money market account		74,438	< 1 year	Not rated
	$	87,642		

As of December 31, 2022, the Library had the following investments:

Investment Type		Fair Value	Maturity	Rating
Investments held in trust at Atchison Area Community Foundation - pooled shares	$	58,404	< 1 year	Not rated

Credit risk

Kansas statutes authorize the City and the Library, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the municipal investment pool, or to make direct investments. City Ordinance 4896 further limits the investment of temporarily idle funds of the City to either, or all, of the following:

1. Direct obligations of the United States Government.
2. Temporary notes of the City.
3. Interest bearing certificates of deposit of the depository banks of the City.
4. Interest bearing accounts with federally insured savings and loan associations in such amounts not exceeding such federal insurance.

Concentrations of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments as of December 31, 2022 consisted entirely of money market mutual funds and a money market account. The Library's investments as of December 31, 2022 consisted entirely of pooled shares held at the AACF.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City and the Library do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from rising interest rates, but state statutes do establish a two-year limitation on investment maturities. In practice, the City and the Library do not exceed a one-year maturity when investing idle funds. The City and the Library are not exposed to significant interest rate risk.

Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For the year ended December 31, 2022, the money market mutual funds were valued with quoted prices on the active market (Level 1 input). The money market account is considered a cash equivalent recorded at cost and the AACF investments are a net asset value investment and are, therefore, not classified in the fair value hierarchy.

At December 31, 2022, the City's investments were categorized within the fair value hierarchy as follows:

		Fair Value Measurements at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	$ 13,204	$ 13,204	$ -	$ -

5 - Leases Receivable

The City entered into a 52-month lease as lessor for the use of Spatz Hangar. An initial lease receivable was recorded in the amount of $ 59,334. As of December 31, 2022, the value of the lease receivable is $ 44,465. The lessee is required to make annual fixed payments of $ 15,000. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2022 was $ 45,737, and the City recognized lease revenue of $13,597 during the fiscal year.

On August 1, 2022, the City entered into a 17-month lease as lessor for the use of Shannon Industrial Park. An initial lease receivable was recorded in the amount of $ 16,792. As of December 31, 2022, the value of the lease receivable is $ 11,881. The lessee is required to make monthly fixed payments of $ 1,000. The lease has an interest rate of 1.8503%. The value of the deferred inflow of resources as of December 31, 2022 was $ 11,853, and the City recognized lease revenue of $ 4,939 during the fiscal year.

The City entered into a 785-month lease as lessor for the use of the Santa Fe Freight Depot South. An initial lease receivable was recorded in the amount of $ 45,545. As of December 31, 2022, the value of the lease receivable is $ 45,135. The lessee is required to make monthly fixed payments of $ 100. The lease has an

interest rate of 1.8510%. The value of the deferred inflow of resources as of December 31, 2022 was $ 44,849, and the City recognized lease revenue of $ 696 during the fiscal year.

The City entered into a 159-month lease as lessor for the use of the Kansas Commission on Veterans Affairs Office and Event Center. An initial lease receivable was recorded in the amount of $ 39,076. As of December 31, 2022, the value of the lease receivable is $ 35,937. The lessee is required to make annual fixed payments of $ 3,277. The lease has an interest rate of 1.4123%. The value of the deferred inflow of resources as of December 31, 2022 was $ 36,127, and the City recognized lease revenue of $ 2,949 during the fiscal year. The lessee had a termination period of 3 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Drivers License Exam Station and Tax-Office. An initial lease receivable was recorded in the amount of $ 321,038. As of December 31, 2022, the value of the lease receivable is $ 304,708. The lessee is required to make quarterly fixed payments of $ 5,014. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2022 was $ 303,203, and the City recognized lease revenue of $ 17,835 during the fiscal year. The lessee has 1 extension option for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Dept. For Children and Families Office. An initial lease receivable was recorded in the amount of $ 2,254,132. As of December 31, 2022, the value of the lease receivable is $ 2,128,124. The lessee is required to make semi-annual fixed payments of $ 71,685. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2022 was $ 2,128,903, and the City recognized lease revenue of $ 125,230 during the fiscal year. The lessee has 1 extension option for 60 months.

On January 18, 2022, the City entered into a 35-month lease as lessor for the use of Agriculture Land. An initial lease receivable was recorded in the amount of $ 27,972. As of December 31, 2022, the value of the lease receivable is $ 18,688. The lessee is required to make monthly fixed payments of $ 4,698. The lease has an interest rate of 0.4757%. The value of the deferred inflow of resources as of December 31, 2022 was $ 18,946, and the City recognized lease revenue of $ 9,026 during the fiscal year.

The City entered into a 42-month lease as lessor for the use of 800 River Road. An initial lease receivable was recorded in the amount of $ 26,329. As of December 31, 2022, the value of the lease receivable is $ 17,557. The lessee is required to make annual fixed payments of $ 8,858. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2022 was $ 18,895, and the City recognized lease revenue of $ 7,434 during the fiscal year. The lessee has 1 extension option for 24 months.

The City entered into a 25-month lease as lessor for the use of 1202 North 4th Street. An initial lease receivable was recorded in the amount of $ 23,643. As of December 31, 2022, the value of the lease receivable is $ 11,817. The lessee is required to make annual fixed payments of $ 11,862. The lease has an interest rate of 0.3800%. The value of the deferred inflow of resources as of December 31, 2022 was $ 12,295, and the City recognized lease revenue of $ 11,349 during the fiscal year. The lessee had a termination period of 12 months as of the lease commencement.

6 - Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,123,254	$ -	$ -	$ 3,123,254
Construction in progress	1,140,930	1,103,582	(768,999)	1,475,513
Total capital assets not being depreciated	4,264,184	1,103,582	(768,999)	4,598,767
Other capital assets:				
Capital assets being depreciated:				
Buildings and systems	8,755,927	423,961	(404,656)	8,775,232
Improvements	10,994,337	48,816	-	11,043,153
Machinery and equipment	6,543,227	432,420	(117,006)	6,858,641
Infrastructure	31,982,297	1,792,002	-	33,774,299
Total capital assets being depreciated	58,275,788	2,697,199	(521,662)	60,451,325
Less accumulated depreciation for:				
Buildings and systems	(2,944,675)	(278,995)	-	(3,223,670)
Improvements	(5,381,398)	(446,585)	-	(5,827,983)
Machinery and equipment	(5,289,697)	(437,619)	117,006	(5,610,310)
Infrastructure	(16,438,774)	(587,920)	-	(17,026,694)
Total accumulated depreciation	(30,054,544)	(1,751,119)	117,006	(31,688,657)
Leased assets being amortized:				
Leased assets - machinery and equipment	-	31,556	-	31,556
Less accumulated amortization - machinery and equipment	-	(9,063)	-	(9,063)
Total leased assets being amortized, net	-	22,493	-	22,493
Other capital assets, net	28,221,244	968,573	(404,656)	28,785,161
Governmental activities capital assets, net	$ 32,485,428	$ 2,072,155	$ (1,173,655)	$ 33,383,928

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 101,537	$ -	$ -	$ 101,537
Construction in progress	153,222	21,250	(39,017)	135,455
Total capital assets not being depreciated	254,759	21,250	(39,017)	236,992
Capital assets being depreciated:				
Buildings and systems	58,863,281	1,128,158	(81,207)	59,910,232
Machinery and equipment	5,957,355	347,457	(75,000)	6,229,812
Total capital assets being depreciated	64,820,636	1,475,615	(156,207)	66,140,044
Less accumulated depreciation for:				
Buildings and systems	(27,983,334)	(1,689,371)	81,207	(29,591,498)
Machinery and equipment	(4,065,057)	(508,089)	75,000	(4,498,146)
Total accumulated depreciation	(32,048,391)	(2,197,460)	156,207	(34,089,644)
Total capital assets being depreciated, net	32,772,245	(721,845)	-	32,050,400
Business-type activities capital assets, net	$ 33,027,004	$ (700,595)	$ (39,017)	$ 32,287,392

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 528,426
Public safety	297,552
Public works	817,087
Parks and recreation	108,054
Total depreciation expense - governmental activities	$ 1,751,119
Business-type activities:	
Water	$ 1,313,989
Wastewater	856,546
Refuse	26,925
Total depreciation expense - business-type activities	$ 2,197,460

Amortization expense of $ 9,063 was charged to governmental activities.

Discretely Presented Component Unit

Capital asset activity for the Library for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Library:				
Capital assets not being depreciated:				
Land	$ 8,995	$ -	$ -	$ 8,995
Capital assets being depreciated:				
Buildings and systems	1,283,072	-	-	1,283,072
Books	423,754	13,870	(18,892)	418,732
Machinery and equipment	176,442	-	-	176,442
Total capital assets being depreciated	1,883,268	13,870	(18,892)	1,878,246
Less accumulated depreciation for:				
Buildings and systems	(555,406)	(41,321)	-	(596,727)
Books	(390,635)	(22,678)	18,892	(394,421)
Machinery and equipment	(129,996)	(11,321)	-	(141,317)
Total accumulated depreciation	(1,076,037)	(75,320)	18,892	(1,132,465)
Total capital assets being depreciated, net	807,231	(61,450)	-	745,781
Library capital assets, net	$ 816,226	$ (61,450)	$ -	$ 754,776

7 - Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City and the Library participate in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City and the Library are included in the Local and Police and Firemen employee groups.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan was created for new hires starting January 1, 2015. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2022.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the year ended December 31, 2022. Contributions to the Pension Plan from the City were $ 254,312 for KPERS and $ 491,511 for KP&F for the year ended December 31, 2022. Contributions from the Library for KPERS were $ 23,338 for the year ended December 31, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a liability of $ 2,997,553 for KPERS and $ 5,182,011 for KP&F and the Library reported a liability of $ 252,859 for KPERS for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2022, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2022.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2022 the City's proportion for KPERS was 0.150779%, which was an increase of 0.000766% from its proportion measured as of June 30, 2021. At June 30, 2022, the City's proportion for KP&F was 0.359305%, which was an increase of 0.001172% from its proportion measured as of June 30, 2021. At June 30, 2022, the Library's proportion for KPERS was 0.012719%, which was a decrease of 0.000205% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized pension expense of $ 433,018 for KPERS and $ 774,113 for KP&F, with the aggregate pension expense for both KPERS and KP&F totaling $ 2,764,447. The Library recognized pension expense of $ 28,961 for KPERS. At December 31, 2022, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 333,283	$ 5,373
Net difference between projected and actual earnings on pension plan investments	609,391	-
Change of assumptions	1,145,064	-
Changes in proportionate share	85,386	112,817
City contributions subsequent to measurement date	385,626	-
Total	$ 2,558,750	$ 118,190

Library

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 9,564	$ 453
Net difference between projected and actual earnings on pension plan investments	21,404	-
Change of assumptions	40,418	-
Changes in proportionate share	1,090	13,007
Library contributions subsequent to measurement date	11,948	-
Total	$ 84,424	$ 13,460

The $ 385,626 and $ 11,948 for the City and the Library, respectively, reported as deferred outflows of resources related to pensions resulting from the City's and Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	City
2023	$ 603,215
2024	522,855
2025	249,100
2026	654,142
2027	25,622
	$ 2,054,934

Year Ended June 30,	Library
2023	$ 15,919
2024	13,798
2025	6,486
2026	22,020
2027	793
	$ 59,016

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent
Payroll growth assumption	3.00 percent

Changes in actuarial assumptions and methods in the December 31, 2021 actuarial valuation were as follows:

Both Groups

- Investment return assumption was lowered from 7.25% to 7.00%.

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018. The experience study is dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8%	9.50%
Private Real Estate	11%	4.45%
Yield Driven	8%	4.70%
Real Return	11%	3.25%
Fixed Income	11%	1.55%
Cash	4%	0.25%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and the Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the collective net pension liability	$ 4,306,082	$ 2,997,553	$ 1,907,359
City's KP&F proportionate share of the collective net pension liability	7,107,887	5,182,011	3,579,572
Atchison Public Library's KPERS proportionate share of the collective net pension liability	363,241	252,859	160,896

Pension plan fiduciary net position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

8 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided, and Contributions. The City provides postemployment health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 102 percent of the blended premium cost of active employees to maintain coverage. In 2022, the City contributed $ 22,130 to the plan and participating retirees contributed $ 1,051.

Employees covered by Benefit Terms. As of the actuarial valuation date of January 1, 2023, the following employees were covered by the benefit terms.

Active employees	102
Retirees	1
Spouses of retirees	1
	104

Total OPEB Liability. The City's total OPEB liability of $ 601,595 was measured as of December 31, 2022 and was determined by an actuarial valuation performed as of January 1, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.18 percent
Mortality table	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement
Salary scale	5.00 percent per year
Inflation rate	2.50 percent per year
Healthcare cost trend rates	
Current rate	7.00 percent
Ultimate rate	4.50 percent
Year ultimate rate is reached	2033
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

The discount rate was based on the S&P Municipal Bond 20-Year High Grade and the Fidelity GO AA-20 Year indices as of the measurement date.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was changed from 2.04% to 4.18%. The liability would have been approximately $ 811,000 if the discount rate had not changed.
2. The census was updated from January 1, 2022 to January 1, 2023.
3. Per capita costs, retiree contribution premiums and HSA contributions, along with associated trend assumptions were revised as part of the evaluation. Effective January 1, 2023 the City switched from a fully insured to a self-funded (with stop-loss) funding arrangement for the group health plan.
4. The assumed proportion of future eligible retiring employees electing health insurance with the City upon retirement was lowered from 50% to 45%.
5. The assumed proportion of retiring employees with a covered spouse was revised from 45% to 50%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	$ 811,358
Changes for the year:	
Service cost	67,353
Interest cost	17,700
Differences between expected and actual experience	(1,483)
Changes in assumptions and inputs	(271,203)
Benefit payments	(22,130)
Net changes	(209,763)
Balance at December 31, 2022	$ 601,595

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18 percent) or 1-percentage-point higher (5.18 percent) than the current discount rate:

	1% Decrease (3.18%)	Discount Rate (4.18%)	1% Increase (5.18%)
Total OPEB liability	$ 662,148	$ 601,595	$ 546,931

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 528,713	$ 601,595	$ 688,920

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022 the City recognized OPEB expense of $ 51,863.

At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 9,717	$ 264,103
Changes in assumptions and inputs	149,162	278,359
Total	$ 158,879	$ 542,462

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2023	$ (33,190)
2024	(33,190)
2025	(33,190)
2026	(33,190)
2027	(33,190)
2028 and Thereafter	(217,633)
	$ (383,583)

Disability Benefits and Life Insurance

Plan Description, Benefits Provided, and Contributions. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2022 totaled $ 13,175.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2022, the following employees were covered by the benefit terms.

Active members	59
Disabled members	2
	61

Total OPEB Liability. The City's total OPEB liability of $ 71,844 was measured as of June 30, 2022 and was determined by an actuarial valuation performed as of December 31, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.54 percent
Implicit inflation rate	2.75 percent
Mortality table	Local Males: 90 percent of RP-2014M Total Dataset +2 Local Females: 90 percent of RP-2014F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021 Post-disability mortality rates are included in long-term disability claim termination rates.
Salary increases	3.50 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	4.00 percent long-term growth for acturial valuation. 3.00 percent near-term growth for cashflow projections.
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for a three-year period ending December 31, 2018.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The Disability Rates, Estimated Offsets, Waiver Mortality Rates, and Claim Cost Assumption have been updated based on recent experience.

The overall impact of the new assumptions is a decrease in the benefit obligations.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	$ 107,206
Changes for the year:	
Service cost	12,253
Interest	2,535
Effect of economic/demographic gains or losses	(24,940)
Effect of assumptions changes or inputs	(20,910)
Benefit payments	(4,300)
Net changes	(35,362)
Balance at December 31, 2022	$ 71,844

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$ 76,004	$ 71,844	$ 67,756

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. Note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this is a required disclosure under GASB 75.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 71,844	$ 71,844	$ 71,844

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the City recognized OPEB expense of $ 8,925.

At December 31, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 32,334
Changes of assumptions	7,758	21,398
City contributions subsequent to measurement date	13,175	-
Total	$ 20,933	$ 53,732

The $ 13,175 for the City reported as deferred outflows of resources related to an OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended December 31, 2023. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2023	$ (5,863)
2024	(5,863)
2025	(5,863)
2026	(5,712)
2027	(4,993)
2028 and Thereafter	(17,680)
	$ (45,974)

Aggregate Other Postemployment Healthcare Benefit Information

	Balances at December 31, 2022		
	Health	KPERS	Total
City:			
Total OPEB liability	$ 601,595	$ 71,844	$ 673,439
Total deferred outflows of resources	158,879	20,933	179,812
Total deferred inflows of resources	(542,462)	(53,732)	(596,194)
Total OPEB expense	51,863	8,925	60,788

9 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

10 - Commitments and Contingencies

Capital Projects

The City has the following projects in progress at December 31, 2022:

	Costs to Date	Amount Authorized
General government:		
Airport Master Plan	$ 55,700	$ 55,700
Aiport environmental assessment	90,429	90,429
Runway improvement project	622,635	1,896,233
Guerrier Hill concept design	6,500	6,500
Forest Park and Main improvement	94,015	162,982
Unity Street Corridor	62,500	65,000
CDBG sidewalks 2022	8,500	655,239
294th rehab	31,498	60,000
Riverbank stabilization	29,113	32,160
Jackson Park brick shelter	51,520	65,000
LFM Park improvements	8,950	8,950
WTP settling basins	251,050	331,864
Bridge street approaches	121,165	139,609
Dump trucks	41,937	458,281
	$ 1,475,512	$ 4,027,947
Wastewater:		
WWTP digester improvements	46,221	73,192
Long term control plan	10,000	12,500
Slope stability study	24,120	25,320
South Headworks wet weather pump	21,250	29,000
	$ 101,591	$ 140,012
Water:		
RWI elevator	$ 33,864	$ 46,073

Litigation

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the City.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2022, industrial revenue bonds of $ 21,075,000 are outstanding.

11 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds payable at December 31, 2022 are comprised of the following issues:

	Callable Date	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2022	Outstanding December 31, 2022
General Obligation Bonds:						
Governmental activities:						
Series 2017-A	9/1/2025	2.00% to 2.70%	$ 1,205,000	2027	$ 120,000	$ 635,000
Series 2019-A	9/1/2026	3.00% to 4.00%	2,780,000	2039	255,000	2,065,000
Series 2020-A	9/1/2027	1.35% to 2.00%	1,250,000	2030	120,000	1,020,000
Series 2021-A	9/1/2029	1.15% to 2.00%	2,870,000	2034	275,000	2,595,000
Series 2022-A	9/1/2029	2.00% to 3.00%	1,260,000	2037	-	1,260,000
					$ 770,000	$ 7,575,000
Business-type activities:						
Series 2019-A	9/1/2026	3.00% to 4.00%	1,780,000	2031	$ 140,000	$ 1,390,000
Series 2020-B	9/1/2028	1.00% to 2.00%	7,040,000	2035	450,000	6,115,000
Series 2021-A	9/1/2029	1.15% to 2.00%	4,490,000	2040	270,000	4,220,000
					$ 860,000	$ 11,725,000

The installment ranges for the general obligation bonds are the following:

	Installment Range	
	Low	High
General Obligation Bonds:		
Governmental activities:		
Series 2017-A	$ 120,000	$ 135,000
Series 2019-A	60,000	255,000
Series 2020-A	120,000	135,000
Series 2021-A	180,000	290,000
Series 2022-A	60,000	100,000
Business-type activities:		
Series 2019-A	85,000	185,000
Series 2020-B	165,000	535,000
Series 2021-A	170,000	335,000

The future annual requirements for general obligation bonds outstanding as of December 31, 2022 are as follows:

	Governmental Activities	
	Principal	Interest
2023	$ 845,000	$ 192,574
2024	735,000	158,245
2025	630,000	140,283
2026	660,000	124,120
2027	675,000	107,170
2028-2032	2,550,000	338,040
2033-2037	1,350,000	103,310
2038-2041	130,000	5,850
	$ 7,575,000	$ 1,169,592

	Business-Type Activities	
	Principal	Interest
2023	$ 885,000	$ 215,378
2024	910,000	194,778
2025	940,000	173,578
2026	950,000	151,678
2027	975,000	129,478
2028-2032	4,690,000	363,913
2033-2037	1,980,000	107,758
2038-2041	395,000	15,900
	$ 11,725,000	$ 1,352,461

Notes payable – financed purchases

The City has entered into various notes payable – financed purchase agreements for the acquisition of equipment. These agreements have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through notes payable – financed purchases are as follows:

Asset:	
Hangar building	$ 340,445
Less accumulated depreciation	(70,926)
Net book value	$ 269,519
Freightliner	$ 134,425
Less accumulated depreciation	(112,188)
Net book value	$ 22,237
Asphalt paving machines	$ 178,069
Less accumulated depreciation	(50,453)
Net book value	$ 127,616

The following is a schedule of future minimum payments for notes payable – financed purchases as of December 31, 2022:

	Governmental Activities	Business-type Activities
2023	$ 59,710	$ 30,184
2024	59,709	-
2025	59,727	-
2026	21,000	-
	200,146	30,184
Amount representing interest	(12,716)	(862)
	$ 187,430	$ 29,322

Lease Obligations Payable

The City entered into a 29-month lease as lessee for the use of a Copier. An initial lease liability was recorded in the amount of $ 5,774. As of December 31, 2022, the value of the lease liability is $ 3,390. The City is required to make monthly fixed payments of $ 240. The lease has an interest rate of 0.3800%. The value of the right to use asset as of December 31, 2022 is $ 5,774 with accumulated amortization of $ 2,365.

The City entered into a 30-month lease as lessee for the use of a Ricoh Copier/Multifunction Printer. An initial lease liability was recorded in the amount of $ 16,240. As of December 31, 2022, the value of the lease liability is $ 9,765. The City is required to make monthly fixed payments of $ 545. The lease has an interest rate of 0.4757%. The value of the right to use asset as of December 31, 2022 is $ 16,240 with accumulated amortization of $ 6,348.

On October 25, 2022, the City entered into a 60-month lease as lessee for the use of a Multifunction Printer. An initial lease liability was recorded in the amount of $ 9,542. As of December 31, 2022, the value of the lease liability is $ 9,026. The City is required to make quarterly fixed payments of $ 517. The lease has an interest rate of 3.4450%. The value of the right to use asset as of December 31, 2022 is $ 9,542 with accumulated amortization of $ 350.

The annual debt service requirements to service the outstanding lease obligations payable at December 31, 2022 are as follows:

	Governmental Activities	
	Lease Obligations Payable	
	Principal	Interest
2023	$ 10,674	$ 329
2024	6,104	231
2025	1,906	162
2026	1,973	95
2027	1,524	26
	$ 22,181	$ 843

Sales Tax Special Obligation Revenue Bonds

On May 7, 2018, the City issued Taxable STAR Bonds Series 2018 at a principal amount of $ 2,370,000. This series of STAR Bonds was issued to finance the Atchison STAR Bond Project in the STAR Bond District for the construction of two separate shelter structures at the Atchison Farmers' Market, located in the historic downtown area of the STAR Bond District (the Farmers' Market Improvements) and a portion of the costs of the Amelia Earhart Museum to be located at the airport area of the STAR Bond District which is proposed to include the last remaining 1935 Lockheed Electra L-10E aircraft and a unique educational visitor experience that honors the accomplishments of Amelia Earhart (the Museum). The City will own the Farmers' Market Improvements. The Museum land is owned by the City and leased. The balance of the Project, which is not being financed from the Series 2018 Bonds, includes a new approximately 43,000 square foot, 68-room hotel located in the historic downtown area of the STAR Bond District and operated under a franchise flag approved in writing by the City (the Hotel) and a new

approximately 2,100 square foot Taco Bell restaurant located in the historic downtown area of the STAR Bond District (the Restaurant). The Farmers Market Improvements, the Museum, the Hotel, and the Restaurant collectively constitute the Project.

Sales tax special obligation revenue bonds (STAR bonds) are authorized to be issued pursuant to K.S.A. 12-17,160, et seq., as amended (the STAR Bond Act). The STAR Bond Act provides a form of tax increment financing that enables the issuance of bonds payable from certain State and local sales and compensating use tax revenues and transient guest tax revenues generated from STAR bond projects constructed within a STAR bond project district. To implement STAR bond financing, a local government must adopt a resolution that specifies a proposed STAR bond project district's boundaries and describes the overall district plan, hold a public hearing on the district and plan, and pass a resolution that establishes the STAR bond project district. Additionally, there may be one or more projects within a STAR bond district.

In connection with the issuance of STAR bonds, the City and the State of Kansas enter into Tax Distribution Agreements. The agreements provide that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales taxes generated within the district. The proportional shares may vary by bond issue, as described in the "Tax Distribution Details" in the table below. These proportional shares may change in the future if the sales taxes assessed by the local or state governments are modified.

Issue	District/Project	Original Amount	Tax Distribution Details
2018	Atchison Star Bond Project	$ 2,370,000	Year 1: 68.41% State sales tax revenues/ 10.52% City's share of County sales tax/ 21.07% City's transient guest tax Year 18 estimate: 68.42% State sales tax revenues/ 10.53% City's share of County sales tax/ 21.05% City's transient guest tax

For this bond issue, the City records its proportional share of the outstanding obligation.

At December 31, 2022, STAR bonds outstanding consisted of the following:

Description and Purpose	Amount of of Original Issue	Final Maturity Date	Range of Interest Rates	Recorded with City Long-Term Liabilities Local Pledge	State Pledge	Total Balance December 31, 2022
Atchison Star Bond Project	$ 2,370,000	3/1/2036	3.40% - 5.20%	$ 529,600	$ 1,125,400	$ 1,655,000

Annual debt service requirements to maturity for these bonds are as follows:

	Governmental Activities	
	Atchison Star Bond Project	
	Principal	Interest
2023	$ 56,000	$ 24,578
2024	-	23,206
2025	-	23,206
2026	-	23,206
2027	-	23,206
2028-2032	-	116,032
2033-2037	473,600	81,222
	$ 529,600	$ 314,656

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 7,085,000	$ 1,260,000	$ (770,000)	$ 7,575,000	$ 845,000
Plus issuance premiums	105,064	-	(8,295)	96,769	8,295
Sales tax special obligation revenue bonds	604,800	-	(75,200)	529,600	56,000
Notes payable - financed purchases - direct borrowing:					
Hangar building	96,375	-	(18,178)	78,197	18,710
Asphalt paving machine	143,488	-	(34,255)	109,233	35,296
Lease obligations payable - direct borrowing	-	31,556	(9,375)	22,181	10,674
Compensated absences	627,817	414,697	(417,940)	624,574	235,870
Net pension liability	4,517,455	2,475,181	-	6,992,636	-
Total OPEB liability	918,564	-	(245,125)	673,439	-
Governmental activities long-term liabilities	$ 14,098,563	$ 4,181,434	$ (1,578,368)	$ 16,701,629	$ 1,209,845

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 12,585,000	$ -	$ (860,000)	$ 11,725,000	$ 885,000
Plus issuance premiums	159,950	-	(12,196)	147,754	12,197
Notes payable - financed purchases - direct borrowing:					
Freightliner	57,227	-	(27,905)	29,322	29,322
Compensated absences	114,742	111,316	(101,380)	124,678	60,151
Net pension liability	700,099	486,829	-	1,186,928	-
Business-type activities long-term liabilities	$ 13,617,018	$ 598,145	$ (1,001,481)	$ 13,213,682	$ 986,670
Component unit Library:					
Compensated absences	$ 13,866	$ 11,170	$ (11,297)	$ 13,739	$ 11,297
Net pension liability	155,082	97,777	-	252,859	-
Component unit Library long-term liabilities	$ 168,948	$ 108,947	$ (11,297)	$ 266,598	$ 11,297

For the governmental activities, compensated absences, net pension liability, and the total OPEB liability are generally liquidated by the general fund.

12 - Temporary Notes Payable

In the prior year, the City issued temporary notes to fund City improvements.

Activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Temporary notes:				
Governmental activities	$ 1,200,000	$ -	$ (1,200,000)	$ -

13 - Interfund Transactions

Interfund transfers for the year ended December 31, 2022 consisted of the following:

	Transfers out					
Transfers in	General fund	Capital projects fund	Nonmajor governmental fund	Water fund	Wastewater fund	Nonmajor enterprise fund
General fund	$ -	$ 50,000	$ -	$ 383,857	$ 583,857	$ 99,893
Capital projects fund	615,000	-	95,000	1,833,655	-	640,000
Nonmajor governmental fund	20,000	-	-	-	-	-
Nonmajor enterprise fund	29,911	-	-	-	-	-
Total	$ 664,911	$ 50,000	$ 95,000	$ 2,217,512	$ 583,857	$ 739,893

Transfers are used to move revenues from the fund that statutes or the budget requires to collect them to the fund that statutes or the budget requires to expend them. Nonroutine transfers include transfers to the capital projects fund to fund capital projects and to the general fund to fund capital projects and from the water fund, wastewater fund, and nonmajor enterprise fund to the general fund for administrative services provided.

Capital asset transfers of $ 1,086,735 occurred from the governmental activities to the business-type activities and are reported within transfers on the statement of activities.

14 - Required Improvements to Sanitary Sewer Collection System

Based upon an administrative order dated January 20, 2004 from the Kansas Department of Health and Environment (KDHE), the City is required to make improvements and replacements to the City's sanitary sewer collection system. Under the terms of the administrative order, a study was performed by an engineer to determine the extent and cost of the repairs. A second administrative order was issued on September 9, 2009 with updated mandates and new deadlines. The City appealed this administrative order and required a hearing which was postponed pending consent agreement negotiations. The negotiations were successful, and the consent agreement was agreed upon in 2011. The consent agreement sets forth timelines for completion of certain updates and repairs to the City's sanitary sewer collection system. The City is also required to provide a plan to raise revenue via residential, industrial, and commercial sewer rate increases, sales tax, stormwater fees, or other means over the next five years to the equivalent of $ 3.1 million annually (after five years) to operate, upgrade, and maintain the current wastewater utility treatment facilities and to complete the mandated projects. The City is required to spend $ 12.4 million over a period of the first zero to five years of the consent agreement. In late 2016, KDHE agreed to amend the consent order and waive the requirement to raise revenues to $ 3.1 million in 2017. They agreed to allow the City to maintain the current rates in return for a commitment from the City to complete certain CSO improvements such as the Dam 6 Separation Program, within specific dates, and update the City's long-term control plan.

15 - Commitments and Contingencies – Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2022, the City's recorded encumbrances in budgeted governmental funds were as follows:

General	$ 30,830

16 - Tax Abatements

The City of Atchison participates in a county-wide property tax abatement program referred to as the Neighborhood Revitalization Plan (NRP). Property tax rebate incentives are based on the incremental increase of qualified improvements over a period ranging from 10 to 15 years, depending upon the level of investment. To continue to receive the rebate of taxes, property owners must pay the property taxes in full and on time. The county treasurer is responsible for issuing the tax rebates to property owners. For the year ended December 31, 2022 a total of $ 202,875 in City taxes were rebated to property owners. During the same period $ 27,827 in Library taxes were rebated.

The City of Atchison enters annexation and incentive agreements with property owners that provide for property tax rebates in exchange for voluntarily allowing the property to be annexed into the City. The rebates begin the year following the receipt of the first tax statement that includes City taxes. Rebates are paid for three years: year one is a 75% rebate of City taxes, year two is 50%, and year three is 25%. Property owners must pay the property taxes in full and on time to remain eligible for the rebates. The City of Atchison is responsible for issuing the rebates in this program. During 2022, no property tax rebates were paid.

17 - Subsequent Events

On July 12, 2023, the City issued $1,415,000 in Series 2023-A General Obligation Bonds. Principal maturities ranging from $115,000 to $165,000 are due through September 1, 2033. The interest rate is 3.56%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem taxes	$ 2,976,354	$ 3,020,144	$ 43,790
Delinquent taxes	30,000	91,977	61,977
Motor vehicle taxes	309,391	254,809	(54,582)
Vehicle excise taxes	996	167	(829)
Payments in lieu of taxes	23,500	56,317	32,817
Guest taxes	140,000	218,600	78,600
City sales taxes	2,040,000	2,159,889	119,889
Franchise taxes	1,289,785	1,625,448	335,663
Recreational vehicle taxes	2,902	3,044	142
Commercial vehicle taxes	-	56,963	56,963
16-20 M truck vehicle taxes	2,755	3,312	557
	6,815,683	7,490,670	674,987
Intergovernmental revenues:			
Special highway	103,188	105,550	2,362
Special liquor	25,691	48,102	22,411
	128,879	153,652	24,773
Charges for services	365,683	386,316	20,633
Licenses and permits	48,000	194,215	146,215
Interest on investments	-	42,180	42,180
Fines and fees	153,000	170,990	17,990
Operating grants	8,690	74,504	65,814
Miscellaneous:			
Sales of cemetery lots	8,000	4,950	(3,050)
Other	15,000	1,308	(13,692)
	23,000	6,258	(16,742)
Total revenues	$ 7,542,935	$ 8,518,785	$ 975,850

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenditures:			
General government:			
City manager:			
Personnel services	$ 293,406	$ 222,994	$ 70,412
Contractual services	64,969	142,164	(77,195)
Materials and supplies	1,500	5,461	(3,961)
	359,875	370,619	(10,744)
Human resources:			
Personnel services	75,957	86,836	(10,879)
Contractual services	47,892	50,551	(2,659)
Materials and supplies	2,800	2,489	311
	126,649	139,876	(13,227)
Finance:			
Personnel services	446,629	331,016	115,613
Contractual services	96,333	84,513	11,820
Materials and supplies	5,000	8,126	(3,126)
	547,962	423,655	124,307
Municipal court:			
Personnel services	41,199	40,247	952
Contractual services	35,962	36,644	(682)
Materials and supplies	500	451	49
	77,661	77,342	319
Building official and buildings and grounds:			
Personnel services	294,556	256,623	37,933
Contractual services	227,775	139,986	87,789
Materials and supplies	2,088	2,451	(363)
	$ 524,419	$ 399,060	$ 125,359

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
AHCC:			
Contractual services	$ 213,979	$ 155,690	$ 58,289
Materials and supplies	25,500	1,587	23,913
	239,479	157,277	82,202
Other general government:			
Contractual services	427,802	511,102	(83,300)
Contingency	225,000	77,172	147,828
	652,802	588,274	64,528
Total general government	2,528,847	2,156,103	372,744
Public safety:			
Fire department:			
Personnel services	1,444,642	1,493,396	(48,754)
Contractual services	70,067	73,259	(3,192)
Materials and supplies	26,775	26,859	(84)
	1,541,484	1,593,514	(52,030)
Police department:			
Personnel services	2,002,971	1,923,474	79,497
Contractual services	25,279	32,627	(7,348)
Materials and supplies	79,894	86,996	(7,102)
	2,108,144	2,043,097	65,047
Animal control:			
Personnel services	62,323	53,987	8,336
Contractual services	16,814	14,013	2,801
Materials and supplies	8,424	3,743	4,681
	87,561	71,743	15,818
Total public safety	$ 3,737,189	$ 3,708,354	$ 28,835

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Public works:			
Engineering:			
Personnel services	$ 194,399	$ 191,338	$ 3,061
Contractual services	12,086	4,503	7,583
Materials and supplies	923	939	(16)
	207,408	196,780	10,628
Amelia Earhart Airport:			
Contractual services	59,657	42,184	17,473
Materials and supplies	45,000	44,268	732
	104,657	86,452	18,205
Fleet maintenance:			
Personnel services	134,989	123,499	11,490
Contractual services	2,402	634	1,768
Materials and supplies	139,555	138,344	1,211
	276,946	262,477	14,469
Facilities:			
Contractual services	125,772	114,962	10,810
Public works administration:			
Personnel services	636,581	550,362	86,219
Contractual services	45,142	29,365	15,777
Materials and supplies	319,515	298,998	20,517
	1,001,238	878,725	122,513
Total public works	$ 1,716,021	$ 1,539,396	$ 176,625

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Parks and recreation:			
Parks:			
Personnel services	$ 385,615	$ 325,310	$ 60,305
Contractual services	110,876	138,704	(27,828)
Materials and supplies	69,750	78,533	(8,783)
	566,241	542,547	23,694
Parks Watershed:			
Personnel services	116,714	95,772	20,942
Contractual services	44,748	63,295	(18,547)
Materials and supplies	50,732	35,389	15,343
	212,194	194,456	17,738
Municipal pool:			
Personnel services	94,003	97,465	(3,462)
Contractual services	13,115	13,988	(873)
Materials and supplies	35,000	37,361	(2,361)
	142,118	148,814	(6,696)
Oak Hill Cemetery:			
Contractual services	13,500	5,550	7,950
Materials and supplies	500	14	486
	14,000	5,564	8,436
Total parks and recreation	934,553	891,381	43,172
Non-departmental:			
Contingency	1,392,165	-	1,392,165
Total expenditures	10,308,775	8,295,234	2,013,541
Excess (deficiency) of revenues over (under) expenditures	$ (2,765,840)	$ 223,551	$ 2,989,391

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Other financing sources (uses):			
Sale of capital assets	$ 25,000	$ 48,396	$ 23,396
Issuance of lease obligations	-	9,542	9,542
Principal paid	-	(82,553)	(82,553)
Interest paid	-	(32,267)	(32,267)
Transfers in	722,714	722,714	-
Transfers out	(895,000)	(895,000)	-
Total other financing sources (uses)	(147,286)	(229,168)	(81,882)
Net change in fund balances	(2,913,126)	(5,617)	2,907,509
Fund balances, beginning of year	2,913,126	3,753,473	840,347
Fund balances, end of year	$ -	$ 3,747,856	$ 3,747,856

CITY OF ATCHISON, KANSAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

1 - General

All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

2 - Reconciliation

Explanation of differences between budget and GAAP net change in fund balances:

Net change in fund balance - budget	$	(5,617)
Net change in fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:		
Insurance reserve		6,692
Municipal equipment reserve		(77,975)
Law enforcement		(12,246)
Façade improvements		(20)
Encumbrances for equipment and supplies ordered but not yet received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes:		
2022 encumbrances		30,830
2021 encumbrances		(34,508)
Net change in fund balance - GAAP	$	(92,844)

CITY OF ATCHISON, KANSAS
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -
Health Insurance
Last Six Fiscal Years[1]

	2022	2021	2020
Total OPEB liability:			
Service cost	$ 67,353	$ 75,862	$ 59,333
Interest	17,700	18,739	23,505
Change in benefit terms	-	-	32,846
Difference between expected and actual experience	(1,483)	(111,232)	12,633
Changes in assumptions and inputs	(271,203)	(29,429)	71,469
Benefit payments	(22,130)	(45,604)	(41,880)
Net change in total OPEB liability	(209,763)	(91,664)	157,906
Total OPEB liability, beginning	811,358	903,022	745,116
Total OPEB liability, ending	$ 601,595	$ 811,358	$ 903,022
Covered payroll	$ 4,795,041	$ 4,593,362	$ 4,616,086
City's total OPEB liability as a percentage of covered payroll	12.55%	17.66%	19.56%

	2019	2018	2017
Total OPEB liability:			
Service cost	$ 45,189	$ 60,539	$ 52,339
Interest	26,172	26,908	27,040
Change in benefit terms	-	13,261	-
Difference between expected and actual experience	(84,767)	(178,623)	-
Changes in assumptions and inputs	103,136	(2,647)	41,801
Benefit payments	(21,244)	(25,500)	(10,621)
Net change in total OPEB liability	68,486	(106,062)	110,559
Total OPEB liability, beginning	676,630	782,692	672,133
Total OPEB liability, ending	$ 745,116	$ 676,630	$ 782,692
Covered payroll	$ 4,616,086	$ 4,039,623	$ 4,039,623
City's total OPEB liability as a percentage of covered payroll	16.14%	16.75%	19.38%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF ATCHISON, KANSAS
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -
Disability Benefits and Life Insurance
Last Six Fiscal Years[1]

	2022	2021	2020
Total OPEB liability			
Service cost	$ 12,253	$ 11,008	$ 9,527
Interest on total OPEB liability	2,535	2,389	3,209
Effect of economic/demographic gains or losses	(24,940)	(1,400)	(2,646)
Effect of assumptions changes or inputs	(20,910)	283	9,127
Benefit payments	(4,300)	(4,300)	(4,300)
Net change in total OPEB liability	(35,362)	7,980	14,917
Total OPEB liability, beginning	107,206	99,226	84,309
Total OPEB liability, ending	$ 71,844	$ 107,206	$ 99,226
Covered payroll	$ 2,582,821	$ 2,814,335	$ 2,573,667
City's total OPEB liability as a percentage of covered payroll	2.78%	3.81%	3.86%

	2019	2018	2017
Total OPEB liability			
Service cost	$ 8,336	$ 8,274	$ 8,519
Interest on total OPEB liability	3,262	3,197	2,541
Effect of economic/demographic gains or losses	(3,044)	(10,577)	-
Effect of assumptions changes or inputs	1,993	(1,688)	(4,599)
Benefit payments	(4,300)	(4,300)	(7,805)
Net change in total OPEB liability	6,247	(5,094)	(1,344)
Total OPEB liability, beginning	78,062	83,156	84,500
Total OPEB liability, ending	$ 84,309	$ 78,062	$ 83,156
Covered payroll	$ 2,520,302	$ 2,333,844	$ 2,243,841
City's total OPEB liability as a percentage of covered payroll	3.35%	3.34%	3.71%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF ATCHISON, KANSAS
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years[1]

	2022	2021	2020	2019	2018
City's proportion of the collective net pension liability:					
KPERS	0.150779%	0.150013%	0.155893%	0.149352%	0.139132%
KP&F	0.359305%	0.358133%	0.362262%	0.370808%	0.371516%
City's proportionate share of the collective net pension liability	$ 8,179,564	$ 5,217,554	$ 7,169,831	$ 5,840,026	$ 5,513,940
City's covered payroll	$ 4,875,954	$ 5,050,544	$ 4,870,229	$ 4,664,592	$ 4,393,383
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	168%	103%	147%	125%	126%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.88%

	2017	2016	2015	2014
City's proportion of the collective net pension liability:				
KPERS	0.144451%	0.115515%	0.178344%	0.151326%
KP&F	0.368159%	0.444896%	0.356217%	0.394653%
City's proportionate share of the collective net pension liability	$ 5,544,868	$ 5,919,082	$ 4,938,289	$ 4,450,840
City's covered payroll	$ 4,408,474	$ 4,344,866	$ 4,329,067	$ 4,299,827
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	126%	136%	114%	104%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%

[1]GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years[1]

	2022	2021	2020	2019	2018
Library's proportion of the collective net pension liability:					
KPERS Atchison Public Library	0.012719%	0.012924%	0.013595%	0.014471%	0.014206%
Library's proportionate share of the collective net pension liability	$ 252,859	$ 155,082	$ 235,690	$ 202,214	$ 198,002
Library's covered payroll	$ 255,632	$ 253,765	$ 256,529	$ 306,778	$ 277,389
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	99%	61%	92%	66%	71%
Plan fiduciary net position as a percentage of the total pension liability	69.75%	76.40%	66.30%	69.88%	68.88%

	2017	2016	2015	2014
Library's proportion of the collective net pension liability:				
KPERS Atchison Public Library	0.013675%	0.014563%	0.014725%	1.711600%
Library's proportionate share of the collective net pension liability	$ 198,076	$ 225,294	$ 193,346	$ 210,666
Library's covered payroll	$ 242,343	$ 249,780	$ 246,283	$ 282,085
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%

[1]GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014.

CITY OF ATCHISON, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Contractually required contribution	$ 745,655	$ 721,861	$ 739,515	$ 693,056	$ 590,984
Contributions in relation to the contractually required contribution	745,823	721,770	739,610	693,056	590,984
Contribution excess (deficiency)	$ 168	$ (91)	$ 95	$ -	$ -
City's covered payroll	$ 4,847,355	$ 4,803,268	$ 4,997,416	$ 4,803,389	$ 4,398,583
Contributions as a percentage of covered payroll	15.38%	15.03%	14.80%	14.43%	13.44%

	2017	2016	2015	2014	2013
Contractually required contribution	$ 560,943	$ 619,278	$ 626,020	$ 638,863	$ 518,478
Contributions in relation to the contractually required contribution	560,943	619,278	625,413	638,863	518,478
Contribution excess (deficiency)	$ -	$ -	$ (607)	$ -	$ -
City's covered payroll	$ 4,290,448	$ 4,410,377	$ 4,291,557	$ 4,327,392	$ 4,219,545
Contributions as a percentage of covered payroll	13.07%	14.04%	14.59%	14.76%	12.29%

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Contractually required contribution	$ 23,338	$ 22,659	$ 21,370	$ 24,460	$ 22,859
Contributions in relation to the contractually required contribution	23,338	22,659	21,370	24,460	22,859
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 262,225	$ 255,459	$ 248,196	$ 275,134	$ 272,452
Contributions as a percentage of covered payroll	8.90%	8.87%	8.61%	8.89%	8.39%

	2017	2016	2015	2014	2013
Contractually required contribution	$ 20,483	$ 23,076	$ 22,594	$ 22,953	$ 23,615
Contributions in relation to the contractually required contribution	20,483	23,076	22,594	22,953	23,615
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 242,118	$ 251,371	$ 238,337	$ 259,654	$ 297,421
Contributions as a percentage of covered payroll	8.46%	9.18%	9.48%	8.84%	7.94%

OTHER SUPPLEMENTARY INFORMATION

CITY OF ATCHISON, KANSAS
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2022

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Assets:								
Cash and cash equivalents	$ 3,564,739	$ -	$ -	$ 27,752	$ 91,153	$ 123,021	$ -	$ 3,806,665
Receivables (net of allowances for uncollectibles):								
Taxes	3,660,275	-	-	-	-	-	-	3,660,275
Accounts	82,958	108,959	12,762	-	-	-	-	204,679
Interest	18,834	-	-	-	-	-	-	18,834
Loans	-	-	-	-	52,200	-	-	52,200
Leases	2,618,312	-	-	-	-	-	-	2,618,312
Due from other funds	35,169	-	-	-	-	-	(35,169)	-
Total assets	$ 9,980,287	$ 108,959	$ 12,762	$ 27,752	$ 143,353	$ 123,021	$ (35,169)	$ 10,360,965
Liabilities, deferred inflows of resources, and fund balances:								
Liabilities:								
Accounts payable	$ 347,596	$ 1,078	$ 33,158	$ -	$ -	$ 123,021	$ -	$ 504,853
Accrued payroll	94,843	-	-	-	-	-	-	94,843
Due to other funds	-	34,868	301	-	-	-	(35,169)	-
Total liabilities	442,439	35,946	33,459	-	-	123,021	(35,169)	599,696
Deferred inflows of resources:								
Deferred inflows - property taxes	3,138,354	-	-	-	-	-	-	3,138,354
Deferred inflows - leases	2,620,808	-	-	-	-	-	-	2,620,808
Total deferred inflows of resources	5,759,162	-	-	-	-	-	-	5,759,162
Fund balances:								
Assigned	30,830	73,013	-	27,752	143,353	-	-	274,948
Unassigned	3,747,856	-	(20,697)	-	-	-	-	3,727,159
Total fund balances	3,778,686	73,013	(20,697)	27,752	143,353	-	-	4,002,107
Total liabilities, deferred inflows of resources, and fund balances	$ 9,980,287	$ 108,959	$ 12,762	$ 27,752	$ 143,353	$ 123,021	$ (35,169)	$ 10,360,965

CITY OF ATCHISON, KANSAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended December 31, 2022

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property	$ 3,430,416	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,430,416
Sales	2,159,889	-	-	-	-	-	-	2,159,889
Franchise	1,625,448	-	-	-	-	-	-	1,625,448
Transient guest	218,600	-	-	-	-	-	-	218,600
Payments in lieu of taxes	56,317	-	-	-	-	-	-	56,317
Intergovernmental	153,652	-	11,747	-	-	-	-	165,399
Licenses and permits	194,215	-	-	-	-	-	-	194,215
Charges for services	386,316	-	-	-	-	-	-	386,316
Fines and fees	170,990	-	-	-	-	-	-	170,990
Interest on investments	42,180	-	-	-	-	-	-	42,180
Operating grants	74,504	-	-	-	-	-	-	74,504
Other	6,258	-	-	-	-	-	-	6,258
Total revenues	8,518,785	-	11,747	-	-	-	-	8,530,532
Expenditures:								
Current:								
General government	2,376,396	159,068	-	-	20	-	-	2,535,484
Public works	1,454,829	-	-	-	-	-	-	1,454,829
Public safety	3,705,864	-	-	-	-	-	-	3,705,864
Parks and recreation	752,281	-	-	-	-	-	-	752,281
Debt service:								
Principal	82,553	-	34,255	-	-	-	-	116,808
Interest and fiscal charges	32,267	-	4,438	-	-	-	-	36,705
Capital outlay	9,542	-	666,011	12,246	-	-	-	687,799
Total expenditures	8,413,732	159,068	704,704	12,246	20	-	-	9,289,770
Excess (deficiency) of revenues over expenditures	105,053	(159,068)	(692,957)	(12,246)	(20)	-	-	(759,238)
Other financing sources (uses):								
Sale of capital assets	48,396	-	-	-	-	-	-	48,396
Issuance of lease obligations	9,542	-	-	-	-	-	-	9,542
Insurance recoveries	-	155,760	-	-	-	-	-	155,760
Transfers in	722,714	10,000	644,893	-	-	-	(260,000)	1,117,607
Transfers out	(895,000)	-	(29,911)	-	-	-	260,000	(664,911)
Total other financing sources	(114,348)	165,760	614,982	-	-	-	-	666,394
Net change in fund balances	(9,295)	6,692	(77,975)	(12,246)	(20)	-	-	(92,844)
Fund balances, beginning of year	3,787,981	66,321	57,278	39,998	143,373	-	-	4,094,951
Fund balances, end of year	$ 3,778,686	$ 73,013	$ (20,697)	$ 27,752	$ 143,353	$ -	$ -	$ 4,002,107

CITY OF ATCHISON, KANSAS
NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

Special Alcohol - to account for revenues and expenditures for the prevention of drug and alcohol abuse.

Special Parks and Recreation - to account for revenues and expenditures for the upkeep and upgrade of existing parks and recreation facilities.

Motor Fuel - to account for the City's highway aid payments distributed from the State.

DARE - to account for funds donated that will be used specifically for DARE activities in the Police Department.

Land Bank - to account for acquisition of tax-delinquent property and hold it for sale to developers who could redevelop it.

CITY OF ATCHISON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	$ 47,946	$ 50,563	$ 146,274	$ 28,763	$ 90,714	$ 364,260
Liabilities:						
Accounts payable	$ 362	$ -	$ -	$ -	$ -	$ 362
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	47,584	-	-	-	-	47,584
Capital projects and maintenance	-	-	146,274	-	-	146,274
Parks and recreation facilities	-	50,563	-	-	-	50,563
Acquisition and re-development of property	-	-	-	-	90,714	90,714
Assigned	-	-	-	28,763	-	28,763
Total fund balances	47,584	50,563	146,274	28,763	90,714	363,898
Total liabilities and fund balances	$ 47,946	$ 50,563	$ 146,274	$ 28,763	$ 90,714	$ 364,260

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ 48,102	$ 48,102	$ 285,673	$ -	$ -	$ 381,877
Other	-	-	-	-	35,173	35,173
Total revenues	48,102	48,102	285,673	-	35,173	417,050
Expenditures:						
Current:						
General government	20,979	-	184,234	-	65	205,278
Public safety	-	-	-	1,438	-	1,438
Parks and recreation	-	2,868	-	-	-	2,868
Total expenditures	20,979	2,868	184,234	1,438	65	209,584
Excess (deficit) of revenues over expenditures	27,123	45,234	101,439	(1,438)	35,108	207,466
Other financing sources (uses):						
Transfers in	-	-	-	-	20,000	20,000
Transfers out	-	(20,000)	(75,000)	-	-	(95,000)
Total other financing sources (uses)	-	(20,000)	(75,000)	-	20,000	(75,000)
Net change in fund balances	27,123	25,234	26,439	(1,438)	55,108	132,466
Fund balances, beginning of year	20,461	25,329	119,835	30,201	35,606	231,432
Fund balances, end of year	$ 47,584	$ 50,563	$ 146,274	$ 28,763	$ 90,714	$ 363,898

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL ALCOHOL FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 25,691	$ 48,102	$ 22,411
Expenditures:			
Contractual services	30,892	20,979	9,913
Net change in fund balances	(5,201)	27,123	32,324
Fund balances, beginning of year	17,607	20,461	2,854
Fund balances, end of year	$ 12,406	$ 47,584	$ 35,178

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL PARKS AND RECREATION FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 25,691	$ 48,102	$ 22,411
Expenditures:			
Contractual services	12,000	2,868	9,132
Excess of revenues over expenditures	13,691	45,234	31,543
Other financing uses:			
Transfers out	(20,000)	(20,000)	-
Net change in fund balances	(6,309)	25,234	31,543
Fund balances, beginning of year	19,323	25,329	6,006
Fund balances, end of year	$ 13,014	$ 50,563	$ 37,549

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOTOR FUEL FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 269,390	$ 285,673	$ 16,283
Expenditures:			
Contractual services	199,500	184,234	15,266
Excess of revenues over expenditures	69,890	101,439	31,549
Other financing uses:			
Transfers out	(75,000)	(75,000)	-
Net change in fund balances	(5,110)	26,439	31,549
Fund balance, beginning of year	67,660	119,835	52,175
Fund balance, end of year	$ 62,550	$ 146,274	$ 83,724

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAND BANK FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Interest on investments	$ 110	$ -	$ (110)
Other	1,000	35,173	34,173
Total revenues	1,110	35,173	34,063
Expenditures:			
Contractual services	15,000	65	14,935
Material and supplies	500	-	500
Total expenditures	15,500	65	15,435
Excess (deficiency) of revenues over (under) expenditures	(14,390)	35,108	49,498
Other financing sources:			
Transfers in	20,000	20,000	-
Net change in fund balances	5,610	55,108	49,498
Fund balances, beginning of year	27,825	35,606	7,781
Fund balances, end of year	$ 33,435	$ 90,714	$ 57,279

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2022

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem tax	$ 688,227	$ 715,424	$ 27,197
Recreational vehicle tax	707	741	34
16-20M vehicle tax	671	806	135
Motor vehicle tax	73,206	75,935	2,729
Commercial vehicle tax	2,148	-	(2,148)
Vehicle excise tax	243	41	(202)
Total taxes	765,202	792,947	27,745
Other	16,667	16,667	-
Total revenues	781,869	809,614	27,745
Expenditures:			
Principal	835,000	715,000	120,000
Interest	146,250	146,250	-
Miscellaneous expense	95,000	-	95,000
Contingency	43,380	-	43,380
Total expenditures	1,119,630	861,250	258,380
Net change in fund balances	(337,761)	(51,636)	286,125
Fund balances, beginning of year	337,761	390,745	52,984
Fund balances, end of year	$ -	$ 339,109	$ 339,109

CITY OF ATCHISON, KANSAS
FIDUCIARY FUNDS
Custodial Funds

Amelia Earhart Festival – accounts for activities for the weeklong celebration of the life of Amelia Earhart. Events include live entertainment, food, arts & crafts, fireworks, and an award celebration.

Santa Fe Depot Enhancement – accounts for capital improvements to the historic Santa Fe Depot building.

Veteran's Memorial Park – accounts for funds contributed to maintain the veterans pavilion within the riverfront park.

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2022

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Assets:				
Cash and cash equivalents	$ 37,714	$ 57,268	$ 1,381	$ 96,363
Liabilities:				
Due to others	$ 316	$ -	$ -	$ 316
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	37,398	57,268	1,381	96,047
Total liabilities and net position	$ 37,714	$ 57,268	$ 1,381	$ 96,363

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2022

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Additions:				
Charges for service	$ 91,697	$ -	$ -	$ 91,697
Contributions	363,478	-	-	363,478
Miscellaneous	-	23,770	-	23,770
Total additions	455,175	23,770	-	478,945
Deductions:				
Payments to others	334,554	1,617	-	336,171
Administrative	91,753	-	-	91,753
Miscellaneous	45,977	17,149	-	63,126
Total deductions	472,284	18,766	-	491,050
Net change in net position	(17,109)	5,004	-	(12,105)
Net position, beginning of year	54,507	52,264	1,381	108,152
Net position, end of year	$ 37,398	$ 57,268	$ 1,381	$ 96,047

CITY OF ATCHISON, KANSAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
December 31, 2022

Assets:		
Cash	$	380,563
Investments		58,404
Taxes receivable		595,724
Total assets	$	1,034,691
Liabilities, deferred inflows of resources, and fund balances:		
Liabilities:		
Accrued payroll	$	15,284
Deferred inflows of resources:		
Deferred inflow - property taxes		595,724
Fund balances:		
Restricted:		
Building improvements		6,065
Reading programs		15,952
Books		6,684
Assigned		394,982
Total fund balances		423,683
Total liabilities, deferred inflows of resources, and fund balances	$	1,034,691

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
Year Ended December 31, 2022

Revenues:		
Taxes	$	631,455
Charges for services		5,609
Grants and contributions		55,515
Investment income (loss)		(8,870)
Total revenues		683,709
Expenditures:		
Current:		
Education		692,081
Deficiency of revenues under expenditures		(8,372)
Fund balances, beginning of year		370,607
Prior period adjustment		61,448
Fund balances, beginning of year restated		432,055
Fund balances, end of year	$	423,683